

AR85

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT NO. 2355.

LISTED APRIL 14, 1969
5,000,000 Common Shares without par value.
Stock Symbol "CLX".
Post Section 2.5.
Dial Quotation No. 1834.

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

CLARK CANADIAN EXPLORATION COMPANY

Incorporated under The Texas Business Corporation Act, 1955 (Texas) by
Articles of Incorporation dated June 23, 1966

1. Address of the Company's Head Office and of any other offices: 824 Patterson Building, Denver, Colorado 80202; 2612 Charter Towers, Calgary, Alberta; 503 City National Building, Wichita Falls, Texas 76301.

2. Officers of the Company:

Office Held	Name	Address	Occupation
President & Treasurer	E. B. Clark, Jr.	111 Gilpin, Denver, Colorado	Executive
Vice-President	Patrick S. Beaird	4651 LaSalle Place, Denver, Colorado	Geologist
Exploration Manager & Asst. Secretary	Frank I. Pritchett, Jr.	6301 S. Grant Drive, Denver, Colorado	Geologist
Secretary	J. N. Sherrill Jr.	2003 Avondale, Wichita Falls, Texas	Attorney

3. Directors of the Company:

Name	Address	Occupation
E. B. Clark, Sr.	3303 Mockingbird, Wichita Falls, Texas, U.S.A.	Executive
E. B. Clark, Jr.	111 Gilpin, Denver, Colorado, U.S.A.	Executive
J. N. Sherrill Jr.	2003 Avondale, Wichita Falls, Texas, U.S.A.	Attorney
Patrick S. Beaird	4651 LaSalle Place, Denver, Colorado, U.S.A.	Geologist
James C. Saks	1332 Frontenac Ave., S.W., Calgary 3, Alberta	Investment Dealer

4. Names and addresses of all transfer agents:

Canada Trust Company:
110 Yonge Street, Toronto, Ontario 528 8th Ave., S.W., Calgary, Alberta

5. Particulars of any fee charged upon transfer other than customary government taxes:

A fee of 75¢ per certificate will be charged by the Company's Transfer Agent for the issuance of each certificate after primary distribution of the shares has been accomplished.

6. Names and addresses of all registrars:

Canada Trust Company:
110 Yonge Street, Toronto, Ontario 528 8th Ave., S.W., Calgary, Alberta

7. Amount of authorized capital: Five Million (5,000,000) shares.
8. Number of shares and par value: Five Million (5,000,000) without par value.
9. Full details of all shares issued in payment for properties or for any other assets other than cash:

Date	Number of Shares	Brief description of the properties or other assets and the aggregate consideration therefor, expressed in cash, shares, etc.
August 15, 1968	155	An undivided one-eighth (1/8th) interest in one (1) producing oil well, an undivided one-sixteenth (1/16th) interest in one (1) producing oil well and one (1) water injection well and 213.55 net acres of oil and gas leases in the Pleasant Plains area of Saskatchewan. The Company valued all of such property at \$11,734.
August 31, 1968	137	An undivided one-eighth (1/8th) interest in two (2) producing oil wells and 457.67 net acres of oil and gas lease in the Wapella area of Saskatchewan and 146.75 net acres of oil and gas leases in the Carlyle area of Saskatchewan. The Company valued all of such property at \$13,066.
Total	292	

10. Full details of all shares sold for cash.	<table><tr><th>Date</th><th>Number of Shares</th><th>Price per Share</th><th>Amount realized by, Company</th></tr><tr><td>1966</td><td>15,000*</td><td>\$1.082</td><td>\$ 16,230</td></tr><tr><td>February 20, 1969</td><td>754,000</td><td>\$2.00</td><td>1,508,000 (before deduction of the expenses of underwriting)</td></tr><tr><td>February 20, 1969</td><td>20,000</td><td>\$2.24</td><td>44,800</td></tr><tr><td>February 20, 1969</td><td>10,000</td><td>\$2.36</td><td>23,600</td></tr><tr><td>Total</td><td>799,000</td><td></td><td>\$1,592,630</td></tr></table> <p>* On December 30, 1968 the then outstanding 15,292 shares were split into 1,114,285 shares.</p>	Date	Number of Shares	Price per Share	Amount realized by, Company	1966	15,000*	\$1.082	\$ 16,230	February 20, 1969	754,000	\$2.00	1,508,000 (before deduction of the expenses of underwriting)	February 20, 1969	20,000	\$2.24	44,800	February 20, 1969	10,000	\$2.36	23,600	Total	799,000		\$1,592,630
Date	Number of Shares	Price per Share	Amount realized by, Company																						
1966	15,000*	\$1.082	\$ 16,230																						
February 20, 1969	754,000	\$2.00	1,508,000 (before deduction of the expenses of underwriting)																						
February 20, 1969	20,000	\$2.24	44,800																						
February 20, 1969	10,000	\$2.36	23,600																						
Total	799,000		\$1,592,630																						
11. Total number of shares issued:	1,898,285.																								
12. Number of shares now in treasury or otherwise unissued.	3,101,715																								
13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.	None.																								
14. Date of last annual meeting.	August 12, 1968.																								
15. Date of last report to shareholders.	Report given at annual meeting held August 12, 1968.																								
16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.	<p>By Underwriting Agreement dated January 3, 1969 as amended February 7, 1969, Moss, Lawson & Co., Limited, Toronto, Ontario, underwrote 700,000 shares at \$2.00 per share and secured an option on an additional 100,000 shares at the greater of \$2.00 per share or 80% of the market bid price on the date the option is exercised. The underwritten shares and 84,000 of the optioned shares have been purchased as set out in Item 10 above. The balance of the option (16,000 shares) remains outstanding until February 12, 1970.</p> <p>By Resolution of the Company's Board of Directors dated January 3, 1969, the Company granted options to purchase a total of 75,000 shares at \$2.00 per share to various officers, directors and/or employees of the Company. All of such options are for a term of five (5) years from the date of the authorizing resolution and may be exercised at any time during such term. All of such optioned shares remain outstanding as of this date.</p>																								
17. Names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares or other securities or assignments, present or proposed.	<p>Moss, Lawson & Co., Limited, (800,000 shares)—48 Yonge Street, Toronto, Ontario.</p> <p>E. B. Clark, Sr., (16,000 shares)—3303 Mockingbird, Wichita Falls, Texas, U.S.A.</p> <p>E. B. Clark, Jr., (16,000 shares)—111 Gilpin, Denver, Colorado, U.S.A.</p> <p>Patrick S. Beard, (12,500 shares)—4561 LaSalle Place, Denver, Colorado, U.S.A.</p> <p>Frank I. Pritchett, Jr., (12,500 shares)—6301 S. Grant Drive, Denver, Colorado, U.S.A.</p> <p>J. N. Sherrill Jr., (11,500 shares)—2003 Avondale, Wichita Falls, Texas, U.S.A.</p> <p>Ted C. Fowler, (6,500 shares)—7783 S. Ames Way, Littleton, Colorado, U.S.A.</p>																								

18. Details of any payments in cash or securities of the Company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None.								
19. Details of any shares pooled, deposited in escrow, non-transferable or held under any voting trust agreement, syndicate agreement or control.	75% of the total number of shares (759,898) owned by the principal shareholders of the Company listed in Item 20 below are held in escrow by The Canada Trust Company, Toronto, Ontario, subject to release only upon the prior written consent of the Ontario Securities Commission. 1,114,285 shares (i.e., all of the Company's issued shares with the exception of the 784,000 shares referred to in Items 10 and 16 above) are subject to a Voting Trust Agreement effective January 30, 1967. Pursuant to such Agreement, Messrs. E. B. Clark, Sr., E. B. Clark, Jr., and J. N. Sherrill Jr. were appointed Trustees to vote all of such shares as the majority thereof may determine. The term of such Agreement is for a period of 10 years.								
20. Names and addresses of owners of more than a 5% interest in pooled or escrowed shares and their shareholdings. (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	<table> <tr> <td>E. B. Clark, Sr.</td><td>367,641 shares</td></tr> <tr> <td>E. B. Clark, Jr.</td><td>356,346 shares</td></tr> <tr> <td>Patrick S. Beaird</td><td>144,605 shares</td></tr> <tr> <td>Frank I. Pritchett, Jr.</td><td>144,605 shares</td></tr> </table> <p>Complete addresses for such persons are listed in Item 17 above.</p>	E. B. Clark, Sr.	367,641 shares	E. B. Clark, Jr.	356,346 shares	Patrick S. Beaird	144,605 shares	Frank I. Pritchett, Jr.	144,605 shares
E. B. Clark, Sr.	367,641 shares								
E. B. Clark, Jr.	356,346 shares								
Patrick S. Beaird	144,605 shares								
Frank I. Pritchett, Jr.	144,605 shares								
21. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table> <tr> <td>E. B. Clark, Sr.</td><td>367,641 shares</td></tr> <tr> <td>E. B. Clark, Jr.</td><td>356,346 shares</td></tr> <tr> <td>Patrick S. Beaird</td><td>144,605 shares</td></tr> <tr> <td>Frank I. Pritchett, Jr.</td><td>144,605 shares</td></tr> </table> <p>Eggers, Sherrill, Pace & Rogers, P.O. Drawer 5008, Whichita Falls, Texas, U.S.A. 60,115 shares</p> <p>75% of the total number of shares owned by the first four shareholders are held in escrow as set out in Item 19 above, and all of the above described shares are subject to the Voting Trust Agreement also described in Item 19 above.</p>	E. B. Clark, Sr.	367,641 shares	E. B. Clark, Jr.	356,346 shares	Patrick S. Beaird	144,605 shares	Frank I. Pritchett, Jr.	144,605 shares
E. B. Clark, Sr.	367,641 shares								
E. B. Clark, Jr.	356,346 shares								
Patrick S. Beaird	144,605 shares								
Frank I. Pritchett, Jr.	144,605 shares								
22. Names and addresses of persons whose shareholdings are large enough to materially affect control of the Company.	There is no shareholder who, voting alone, can materially affect control of the Company. However, pursuant to the Voting Trust Agreement described in Item 19 above, the Trustees thereof have the right to vote 1,114,285 shares of the Company as the majority of such Trustees may decide. Consequently, such Trustees can materially affect control of the Company. The address for such Trustees is 824 Patterson Building, Denver, Colorado 80202.								
23. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.	Authority for the sale of the 700,000 underwritten shares and the 100,000 optioned shares set out in Item 16 above was granted by the Ontario Securities Commission and Alberta Securities Commission on February 12, 1969. Authority for the sale of such shares was granted by the Department of Justice of the Province of Newfoundland on February 14, 1969.								
24. Has any application for registration with or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled, suspended or revoked? If so, give particulars.	No.								
25. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	The notes of Clark Canadian Exploration Company are listed in Schedule A on Page 7.								
26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	None.								

<p>27. Enumerate fully each of the following property classifications, giving claim or property numbers, approximate acreage, townships and mining camp or oil field:</p> <p>(a) Properties owned where titles vested in Company.</p> <p>(b) Properties leased.</p> <p>(c) Properties otherwise held. Give particulars of title held by the Company in each instance (e.g. patented, unpatented, Crown granted, held under mining license, perpetual lease, etc.).</p>	<p>None.</p> <p>See Pages 4 through 15 of the attached Prospectus.</p> <p>See Pages 4 through 15 of the attached Prospectus.</p> <p>Note—Full particulars relating to the above are on file with The Toronto Stock Exchange.</p>
<p>28. Full particulars of any royalties or other charges payable upon production from each individual property.</p>	<p>Usual Crown or Owners Gross Royalty; intervening overriding in some cases. (Full particulars on file with The Exchange.)</p>
<p>29. Names and addresses of vendors of any property or other assets intended to be purchased by the Company showing the consideration to be paid.</p>	<p>None.</p>
<p>30. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.</p>	<p>None.</p>
<p>31. Are any lawsuits pending or in process against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so explain fully.</p>	<p>There are no law suits as such pending or in process against the Company or any of its properties. However, the Company holds lease applications on 247,220 acres in the State of Alaska. On December 11, 1968, the Secretary of the Interior of the U.S.A. approved an application by the Commissioner of Indian Affairs to withdraw all unreserved public lands in the State of Alaska from selection, settlement, location, sale and entry pursuant to the U.S.A. public land laws (including the Alaska Statehood Act) until December 31, 1970. This action by the Secretary of Interior (unless rescinded by his successor after January 20, 1969) will preclude the issuance of any oil and gas leases to the Company during the period of such withdrawal and may be the basis of the future rejection of all the Company's pending lease applications.</p>
<p>32. Describe plant and equipment on property or properties.</p>	<p>Varying interests (16.71% to 33.42%) in the casing, tubing rods, pumps and tank batteries accompanying seven (7) producing oil wells and one (1) water injection well.</p>
<p>33. Describe all development accomplished and planned.</p>	<p>The development program is listed in Schedule "B" on Pages 8 through 9.</p>
<p>34. Date and author of mining or petroleum engineer's or geologist's report filed with this application and available for inspection on request.</p>	<p>J. C. Sproule and Associates Ltd., Calgary, Alberta.</p> <p>Original Report—January 3, 1969.</p> <p>Supplemental Report—January 31, 1969.</p>
<p>35. Full particulars of production to date.</p>	<p>As of November 30, 1968 the effective date of the original J. C. Sproule and Associates, Ltd. report) 31,521 net barrels of oil had been produced by the Company since December of 1966 when the first oil well in the Wapella, Saskatchewan area was placed on production.</p>
<p>36. Have any dividends been paid? If so, give date, per share rate, and amount paid in dollars on each distribution.</p>	<p>No.</p>

37. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.	J. N. Sherrill Jr. Eggers, Sherrill, Pace & Rogers P.O. Drawer 5008 Wichita Falls, Texas, U.S.A.
38. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.	No.
(b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.	No.
(c) Has any application for listing of any shares of the Company ever been refused or deferred by any stock exchange? If so, give particulars.	No.
39. Particulars of the principal business in which each officer and director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.	The information on each officer and director of Clark Canadian Exploration Company is listed in Schedule C on Page 10.
40. The dates of and parties to and the general nature of every material contract entered into by the Company which is still in effect and is not disclosed in the foregoing. Except for management contracts, do not include particulars of any contract entered into in the ordinary course of business carried on or intended to be carried on by the Company.	None.
41. Any other material facts not disclosed in the foregoing.	None.

42. STATEMENT SHOWING DISTRIBUTION OF ISSUED CAPITAL

as of February 20, 1969.

FREE STOCK	Shares	Shares
(a) Distributed and in the hands of the public (exclusive of the promoters, officers and directors of the Company and their agents or trustees).	784,000	
(b) Distributed and in the hands of the promoters, officers and directors of the Company and their agents or trustees.		—
Total free stock		784,000
ESCROWED OR POOLED STOCK		
(c) Held in escrow or pool as set out in Item 19 of this application.		1,114,285
Total issued capital		1,898,285

RECORD OF SHAREHOLDERS

Number of registered shareholders holding shares in class (a) above	371
Number of registered shareholders holding shares in class (b) above	0
Number of registered shareholders holding shares in class (c) above	11

DISTRIBUTION OF COMMON STOCK HELD BY THE PUBLIC AS OF MARCH 31st, 1969

Number						Shares
Nil	Holders of	1 —	24	share	lots	Nil
2	" "	25 —	99	" "	" "	100
80	" "	100 —	199	" "	" "	8,000
101	" "	200 —	299	" "	" "	20,250
50	" "	300 —	399	" "	" "	15,000
17	" "	400 —	499	" "	" "	6,800
60	" "	500 —	999	" "	" "	32,400
61	" "	1000 —	up	" "	" "	701,450
371	Shareholders					Total shares 784,000

Dated at Toronto, Ontario the 20th day of February, 1969.

CLARK CANADIAN EXPLORATION COMPANY



"E. B. CLARK, JR.,"
President

"J. N. SHERRILL JR.,"
Secretary

CERTIFICATE OF UNDERWRITER/OPTIONEE

(NOTE—Not applicable with respect to incentive or employee options.)

To the best of my knowledge, information and belief, all of the statements and representations made in this listing application and in the documents filed in support thereof are true and correct.

MOSS, LAWSON & CO., LIMITED

By

"D. G. LAWSON,"
President

PROSPECTUS DATED FEBRUARY 7, 1969

No Securities commission or similar authority in Canada has in any way passed upon the merits of the shares offered hereunder and any representation to the contrary is an offence. This prospectus is not, and under no circumstances is to be construed as, a public offering of these shares for sale in the United States of America or the territories or possessions thereof.

NEW ISSUE

Clark Canadian Exploration Company

(Incorporated under the laws of the State of Texas, one of the United States of America)

700,000 SHARES

(Without nominal or par value)

THESE SHARES ARE SPECULATIVE SECURITIES. REFERENCE IS MADE TO THE NATURE OF THE OPERATIONS OF THE COMPANY COMMENCING ON PAGE 4 OF THIS PROSPECTUS.

PRICE: \$2.20 PER SHARE

There is no market for these securities, and the offering price is a negotiated price.

	Price to Public	Underwriting Discount (1)	Proceeds to Company (2)
Per Share	\$ 2.20	\$.20	\$ 2.00
Total	\$1,540,000	\$140,000	\$1,400,000

(1) An option for the purchase of up to 100,000 additional shares has been granted to Moss, Lawson & Co., Limited (the "Underwriter") as referred to under the heading "Plan of Distribution" in this prospectus. The said additional shares may be purchased at \$2.00 per share for sale to the public at a price not to exceed \$2.50 per share, or if the market bid price exceeds \$2.50 per share at the time of the exercise of the option, the said shares may be purchased by the Underwriter from the Company at the market bid price less 20% for sale to the public at market price.

(2) Before deduction of estimated expenses of \$25,000.

We, as principals, offer these shares, subject to prior sale, if, as and when issued by the Company and accepted by us and subject to the approval of all legal matters on behalf of the Company by Messrs. MacKimmie, Matthews, Wood, Phillips & Smith of Calgary, Alberta, and Messrs. Eggers, Sherrill, Pace & Rogers of Wichita Falls, Texas, U.S.A., and on our behalf by Messrs. Stapells, Sewell, Stapells, Patterson & Rodgers of Toronto, Ontario, who may rely upon the opinion of Counsel for the Company in respect to all matters of Alberta and United States of America law.

An application has been made to list these shares on The Toronto Stock Exchange. Acceptance of the listing will be subject to the filing of required documents and evidence of satisfactory distribution both within ninety days.

Subscriptions will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books without notice. It is expected that definitive share certificates will be available on or about February 20, 1969.

MOSS, LAWSON & CO., LIMITED

48 Yonge Street, Toronto

309 - 5th Avenue S.W., Calgary

TABLE OF CONTENTS

The Company	4
Operations of the Company	4
Oil Properties	4
Developed Acreage	4
Exploration Acreage	5
Status of Alaskan Lease Applications	7
Wells Drilled	7
Oil Reserves	8
Net Income from Oil Production	9
Evaluation of Exploration Acreage	9
Maps	10-15
Management	16
Capitalization	16
Description of Shares	16
Dividends	16
Plan of Distribution	16
Use of Proceeds	17
Directors and Officers	17
Remuneration of Directors and Officers	18
Profit-Sharing Plan	18
Options	18
Material Contracts	18
Interests of Management and Others in Material Transactions	19
Principal Shareholders and Shares in Escrow	19
Auditors, Transfer Agent and Registrar	19
Auditors' Report	20
Balance Sheets and Pro Forma Balance Sheet	21
Statements of Income	22
Statement of Capital in Excess of Par Value	23
Statements of Retained Earnings	23
Statements of Funds	24
Note to Pro Forma Balance Sheet	25
Notes to Financial Statements	25
Purchasers' Statutory Rights of Withdrawal and Rescission	27
Certificates	28

THE COMPANY

Clark Canadian Exploration Co. (the "Company") was incorporated on June 23, 1966, by Articles of Incorporation under the laws of the State of Texas, with an authorized capital of 20,000 shares with a par value of \$1.00 (U.S.) per share.

On December 30, 1968, Clark Canadian Exploration Co.'s Articles of Incorporation were restated to increase its authorized capital to a total of five million (5,000,000) common shares without nominal or par value, to change the name of such corporation to "Clark Canadian Exploration Company", to change its registered office and agent and to convert the 15,292 issued and outstanding shares of the Company into 1,114,285 shares.

The Company maintains its executive offices at 824 Patterson Building in Denver, Colorado 80202, and branch offices at 2612 Charter Towers in Calgary, Alberta, and 503 City National Building in Wichita Falls, Texas 76301.

OPERATIONS OF THE COMPANY

The Company is engaged primarily in the exploration, development and/or production of petroleum and natural gas in Canada, Alaska and the Rocky Mountain area of the Western United States.

The method of operation employed by the Company since its inception has been first to locate promising geological prospects and then to acquire leases, farm-ins, and option agreements covering these prospects through negotiations by the Company's management. Usually several prospects in the same geological area are aggregated into one integrated exploratory drilling program. Undivided interests (usually totaling 75%) in such program are then sold to other oil companies for an amount exceeding the Company's total costs in such program. The terms of the Sale Agreements provide that the other oil companies will pay the entire cost of drilling the test wells to casing point. When petroleum substances in paying quantities are found, the Company pays its proportionate share of the cost of completing such test wells for the taking of petroleum substances.

The Company also obtains seismic options in Canada from major oil companies. The Company then arranges with other companies to have its seismic work commitments assumed by such purchasing companies in exchange for the majority of the interest to be earned by the Company under the seismic option. The Company generally is reimbursed for its initial costs of the program, and if the results of the seismic work so warrant, a test well is drilled at the sole cost of the purchasing company.

The Company intends to continue its above described operations. Also, it is anticipated that the Company with others will invest a portion of its available funds in exploratory and development drilling on its acreage in Montana and Wyoming where recent discoveries have been made in the geological formation known as the Muddy Sandstone. During the past eighteen (18) months there has been a substantial amount of exploratory drilling activity by the Company and other oil companies in these areas.

OIL PROPERTIES

Developed Acreage

The Company has working interests in producing oil wells in the Wapella and Pleasant Plains fields in southeastern Saskatchewan and in the Whitetail and Olmstead areas of Campbell County, Wyoming. These are summarized below:

<u>Producing Oil Wells</u>	<u>Type of Ownership</u>	<u>Gross or Total Wells (1)</u>	<u>Company Interest Expressed as Net Wells (2)</u>
Saskatchewan	Working Interest	4	1.16 (3)
Wyoming	Working Interest	3	.625 (4)

- (1) "Gross or Total Wells" represent all wells in which the Company has a working interest.
- (2) "Net Wells" represent the aggregate of the working interests of the Company in the Gross or Total Wells.
- (3) The Company's interest (.67) in the Wapella field is subject to reduction by 50% at such time as the Company has recovered the equivalent of all of the drilling, completion and operating costs it has incurred with respect to the area of production; such reduction in the Company's interest will vest in Canadian Fina Oil Company, Limited, the farmor of this acreage. It is not anticipated that this contingency will occur in the near future.
- (4) After the farmee of the Olmstead acreage has recovered all of its drilling, completion and operating costs with respect to the discovery well, the Company will own a .125 interest in such well. The Company will share this percentage of the costs of any future drilling in this area.

The Company believes that it will participate with others in drilling at least three (3) additional wells on its Whitetail acreage and as many as four (4) additional wells on its Olmstead acreage in the calendar year 1969.

Exploration Acreage

The Company holds working and overriding royalty interests in oil and gas leases, drilling reservations and/or permits in Alberta, Saskatchewan, Hudson Bay, Alaska, the Northwest Territories, the Arctic Islands, Montana and Wyoming. Reference is made to the maps on pages 10 through 15 of this prospectus which show the location of both the developed acreage and exploration acreage.

The lands comprising such oil and gas leases, drilling reservations and/or permits are located in the following areas:

Geographical Area	Nature of Ownership	Gross Acres (1)	Company Interest Expressed As Net Acres (2)
ALBERTA			
Adair Creek	Reservation (3)	2,560	128
Hay Lake	Reservation (3)	5,120	256
Northwest Zama Lake	Leasehold	320	20
Bassett Lake	Leasehold	3,840	96
Youngstown	Leasehold	35,040	1,832
SASKATCHEWAN			
Northwest Dollard	Leasehold	16,009	1,576
Carlyle	Leasehold	1,240	440
West Workman	Leasehold	4,469	1,181
Pleasant Plains	Leasehold	2,240	641
Wapella	Leasehold	3,892	1,373
HUDSON BAY	Permits	1,604,870	534,957
ALASKA			
Chukchi Basin	Lease Applications (4)	37,940	12,350
Porcupine River	Lease Applications	58,880	23,552

Geographical Area	Name of Ownership	Gross Acres (1)	Company Interest Expressed As Net Acres (1)
Norton Sound	Lease Applications	112,640	45,056
Bethel Basin	Lease Applications	28,160	3,432
Bristol Bay	Lease Applications	9,600	1,170
NORTHWEST TERRITORIES			
Beaufort Sea	Permits	285,821	71,455
ARCTIC ISLANDS	Permits	3,500,947	875,237
MONTANA			
Brorson	Leasehold	982	982
Northwest Sonnette	Leasehold	9,710	3,483
Southeast Sonnette	Leasehold	960	90
Northwest Recluse	Leasehold	53,429	7,529
North Remington Creek	Leasehold	4,529	679
Crow-Beenteen	Leasehold	7,714	1,583
Pocket Creek	Leasehold	28,881	28,621
West Lodge Grass	Leasehold	2,220	1,676
WYOMING			
North Kitty	Leasehold	4,219	765
North Sandbar	Leasehold	2,697	382
Duck Creek	Leasehold	9,652	2,230
Little Powder River	Leasehold	1,028	257
South Recluse	Leasehold	161	18
Wildcat Creek	Overriding Royalty Interest	2,640	Not applicable
Northwest Denver Basin	Leasehold	25,520	3,190
Northwest Denver Basin	Overriding Royalty Interest	70,477	Not applicable
TOTAL		5,938,407	1,626,237

- (1) "Gross Acres" represent all the acres in which the Company has an interest.
- (2) "Net Acres" represent the aggregate of the interest of the Company in the Gross Acres.
- (3) The Net Acres figures are those which the Company will hold after conversion of the reservations to leases.
- (4) Lease Applications represent "offers to lease" which have been filed with and confirmed by the Bureau of Land Management of the Department of the Interior, Fairbanks, Alaska. Leases have not yet been issued by the said Department. Reference is made to the heading "Status of Alaskan Lease Applications" immediately following this section.

In November of 1968 the Company entered into an Agreement with Hudson's Bay Oil and Gas Company, Limited ("Hudson's Bay") pertaining to the Hay Lake and Adair Creek Prospects in Alberta. Pursuant to such Agreement and at its sole expense, Hudson's Bay will perform all of the Company's obligations pursuant to the Seismic Option Agreements pertaining to such prospects, (including the performance of a total of one hundred (100) miles of seismic work on both prospects) and will reimburse the Company for one-half of its direct costs incurred to date in connection with such prospects up to a maximum of \$12,500. Hudson's Bay is also obligated to drill a test well on the Hay Lake prospect at its sole expense. The Company will retain an undivided five percent (5%) interest in both such prospects.

It is anticipated that during 1969 the Company will sell an undivided forty percent (40%) of its interest in the Youngstown prospect to another oil company and apply the proceeds thereof toward the performance of the required forty (40) miles of seismic work on such prospect.

The Company contemplates participating with others in drilling at least one exploratory well on both its North Remington Creek and South Recluse acreage during the calendar year 1969. The Company's South Recluse acreage is within one (1) mile of the recent Phillips Petroleum Company-Anschutz Corp., Inc. Muddy discoveries in this area.

Definite plans cannot be made at this time on other drilling to be undertaken by the Company on its Montana-Wyoming acreage during the calendar year 1969; however, the Company anticipates that the Montana-Wyoming area will be the center of a continued high level of activity, and it reasonably expects to participate with others in drilling between ten (10) and twenty (20) wells on its acreage during such period.

Status of Alaskan Lease Applications

On January 24, 1966, the Arctic Slope Native Association, representing certain natives of Alaska, filed with the Secretary of the Interior, Bureau of Land Management, a Native Assertion of Rights Petition claiming that all of the lease applications with respect to certain lands in Alaska are in conflict with the native rights or claims to the lands. Such native claims include the petroleum and natural gas rights which are the subject matter of such lease applications, and as such, affect all of the Company's acreage in Alaska. The Secretary of the Interior has suspended action on the applications pending final disposition of the native claims by Congress.

During this period when action has been suspended on the lease applications and until leases are issued, the State of Alaska, pursuant to the Alaska Statehood Act, could become the owner in fee simple of part or all of the lands which are the subject matter of the lease applications. In such event the priority of the lease applications would continue and be recognized by the State of Alaska except with respect to any lands which are, within ninety days after the selection of lands by the State of Alaska and approval thereof by the Secretary of the Interior, classified by the State to be competitive lands. Competitive lands are acknowledged to be those lands which are in the general area of a discovery of oil or gas in commercial quantities and which the Commissioner of Natural Resources of the State of Alaska reasonably believes to be capable of production of oil or gas. Any lands selected by the State of Alaska pursuant to the Alaska Statehood Act which are subject to lease must be taken by the State subject to the lease.

On December 11, 1968, the Secretary of the Interior approved an application by the Commissioner of Indian Affairs to withdraw all unreserved public lands in the State of Alaska from selection, settlement, location, sale and entry pursuant to the United States public land laws (including the Alaska Statehood Act) until December 31, 1970. This action by the Secretary of the Interior (unless rescinded by his successor after January 20, 1969) will preclude the issuance of any oil and gas leases to the Company during the period of such withdrawal and may be the basis of the future rejection of all pending lease applications.

The Company will not participate in the drilling of any wells on its Alaskan acreage unless it has received leases or an interest therein in accordance with the lease applications.

Wells Drilled

The Company has drilled or has participated in the drilling of wells in Saskatchewan, Alberta, Wyoming and Montana during the years 1966, 1967 and 1968. The number of such wells drilled and participated in during these periods is as follows:

<u>Period</u>	<u>Producing Oil Wells</u>	<u>Dry Holes</u>
June 23, 1966 to May 31, 1967	3	6
June 1, 1967 to May 31, 1968	2	24
June 1, 1968 to November 30, 1968	2	6

The amounts expended by the Company on drilling and exploration activity (including seismic work) on its properties are as follows:

June 23, 1966 to May 31, 1967	\$ 340,342
June 1, 1967 to May 31, 1968	406,593
June 1, 1968 to November 30, 1968	30,854
TOTAL	\$ 777,789

The amounts expended by the Company in acquiring its properties are as follows:

June 23, 1966 to May 31, 1967	\$ 37,119
June 1, 1967 to May 31, 1968	327,703
June 1, 1968 to November 30, 1968	271,156
TOTAL	\$ 635,978

Oil Reserves

The Company owns interests in oil reserves in Saskatchewan and Wyoming. The Wapella, Saskatchewan production is from the Lower Shaunavon formation of Jurassic Age, and the Pleasant Plains, Saskatchewan production is from the Frobisher Beds of Mississippian Age. Neither of such fields is unitized.

All of the Wyoming production is from the Muddy Sandstone of Cretaceous Age.

J. C. Sproule and Associates Ltd., Calgary, Alberta prepared a report dated January 3, 1969, pertaining to the Company's properties as of November 30, 1968, and a supplemental report dated January 31, 1969 pertaining to additional properties owned by the Company as of such date. These reports (the "Sproule Reports", copies of which are on file in the offices of the Ontario, Alberta and Newfoundland Securities Commissions) estimated the oil reserves of the Company to be as follows:

RECOVERABLE OIL RESERVES

<u>Field</u>	<u>Estimated Company Net Share of Remaining Reserves</u>
Wapella, Saskatchewan	
Proven	15,400 barrels
Pleasant Plains, Saskatchewan	
Proven	18,900 barrels
Whitetail, Wyoming	
Proven	64,100 barrels
Probable Additional	64,700 barrels
Olmstead, Wyoming	
Proven	17,300 barrels
Probable Additional	37,000 barrels
Total Proven and Probable	217,400 barrels

The estimated Company net share of future net revenue (discounted to present worth values at a 6% annual rate) from the proven reserves in the Wapella and Pleasant Plains fields in Saskatchewan is \$50,800 and the proven and probable reserves in the Whitetail and Olmstead fields in Wyoming is \$218,840.

Net Income from Oil Production

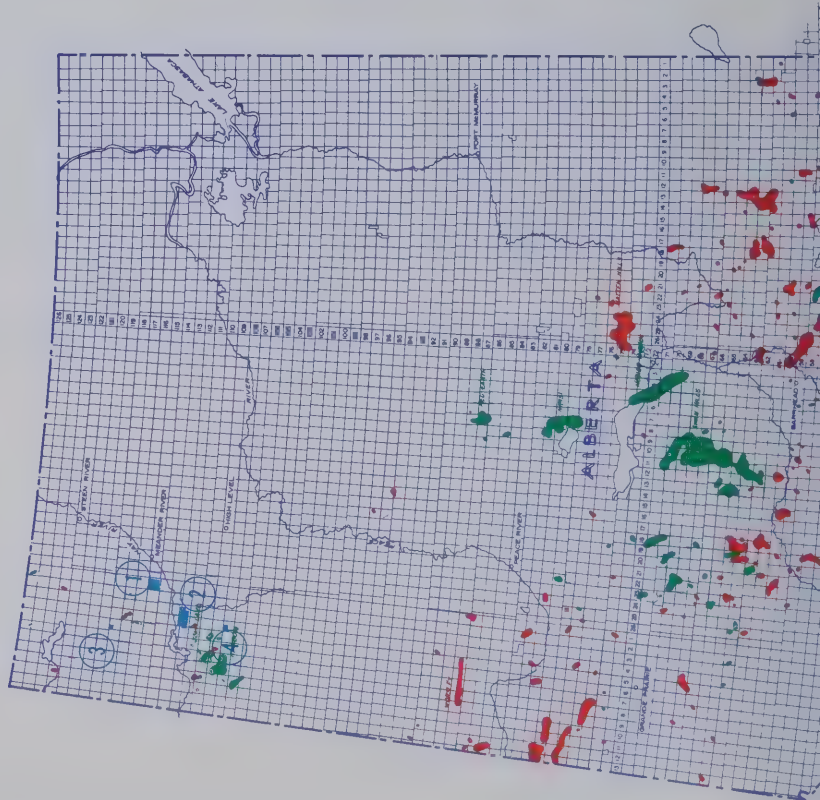
The Company received its first production income from its properties in the Wapella field in the Spring of 1967, and since that time has received the following income after all royalty and operating costs have been deducted:

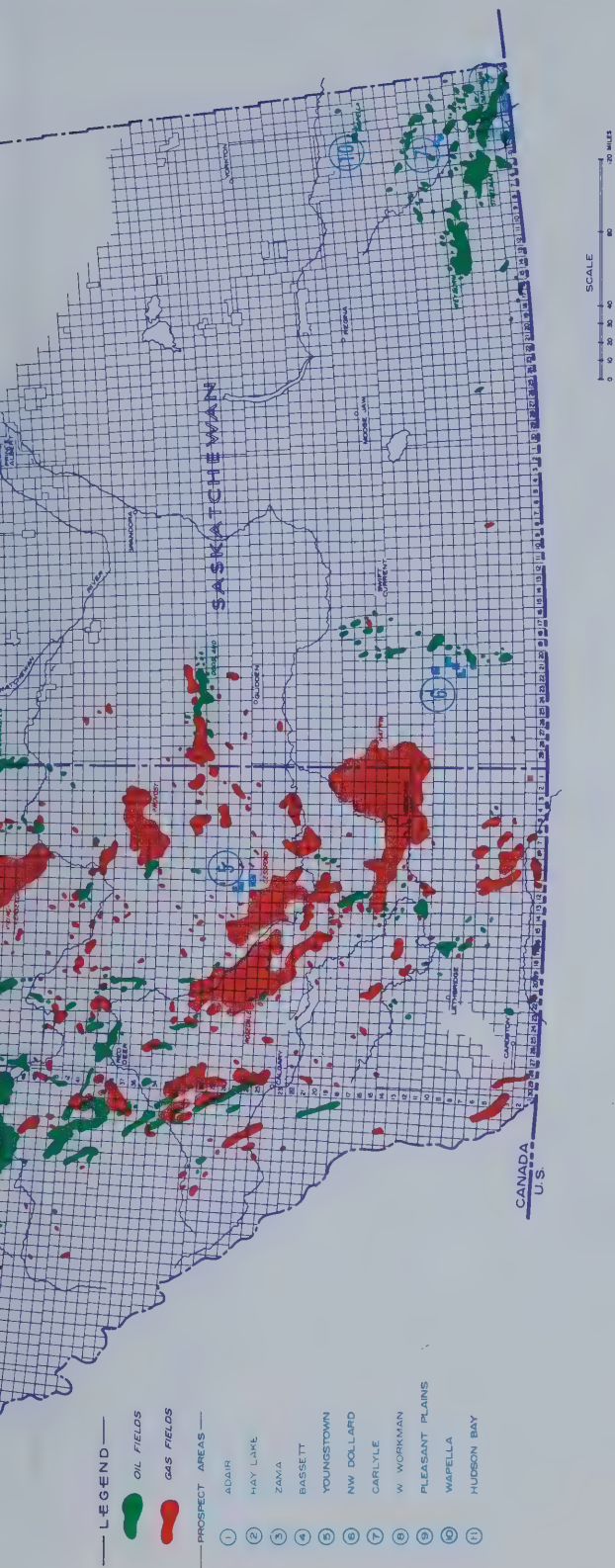
<u>Period</u>	<u>Net Income After Royalty and Operating Costs</u>
June 23, 1966 to May 31, 1967	\$ 3,879
June 1, 1967 to May 31, 1968	\$13,514
June 1, 1968 to November 30, 1968	\$ 7,877
TOTAL	<u>\$25,270</u>

Evaluation of Exploration Acreage

The Sproule Reports also evaluated the exploration acreage of the Company listed on the schedule thereof commencing on page 5 of this prospectus. Structure and other geological features provide the principal criteria for evaluation of the exploration acreage. Numerous other factors were also considered in such evaluation and are more particularly described in the Sproule Reports.

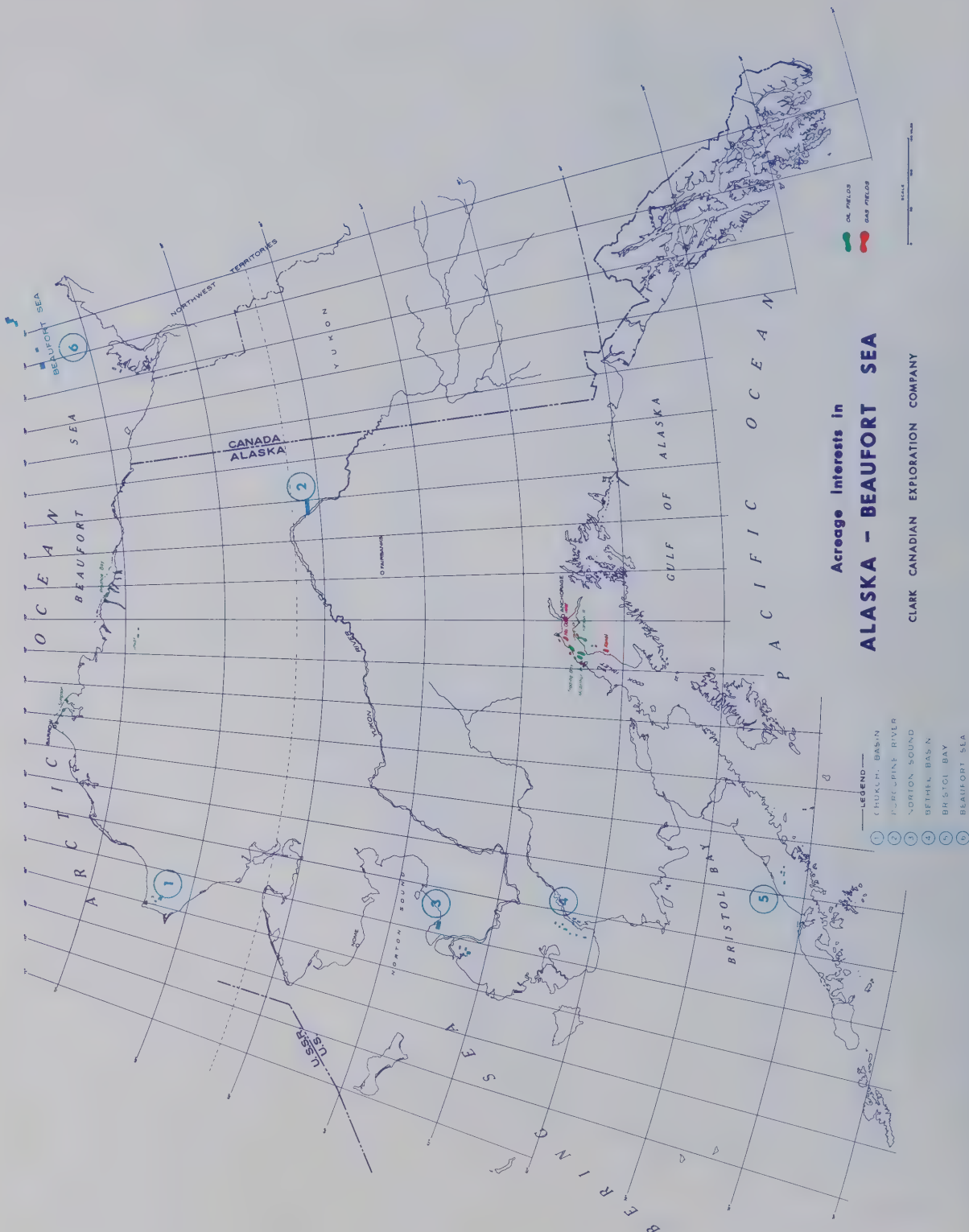
The total value placed by the Sproule Reports on all of the Company's exploration acreage was \$1,531,210 with the sum of \$681,000 being attributable to the Company's Canadian, Hudson Bay and Arctic Islands acreage and the sum of \$850,210 being attributable to its United States of America acreage. The Company's Montana acreage received the highest total amount of valuation with \$541,974, followed by its Hudson Bay acreage with \$267,500 and its Arctic Islands acreage with \$199,200. The highest average per acre evaluation was given to the Company's Alberta acreage with \$60 per acre, followed by its Wyoming acreage with \$23 per acre and its Montana acreage with \$12 per acre.





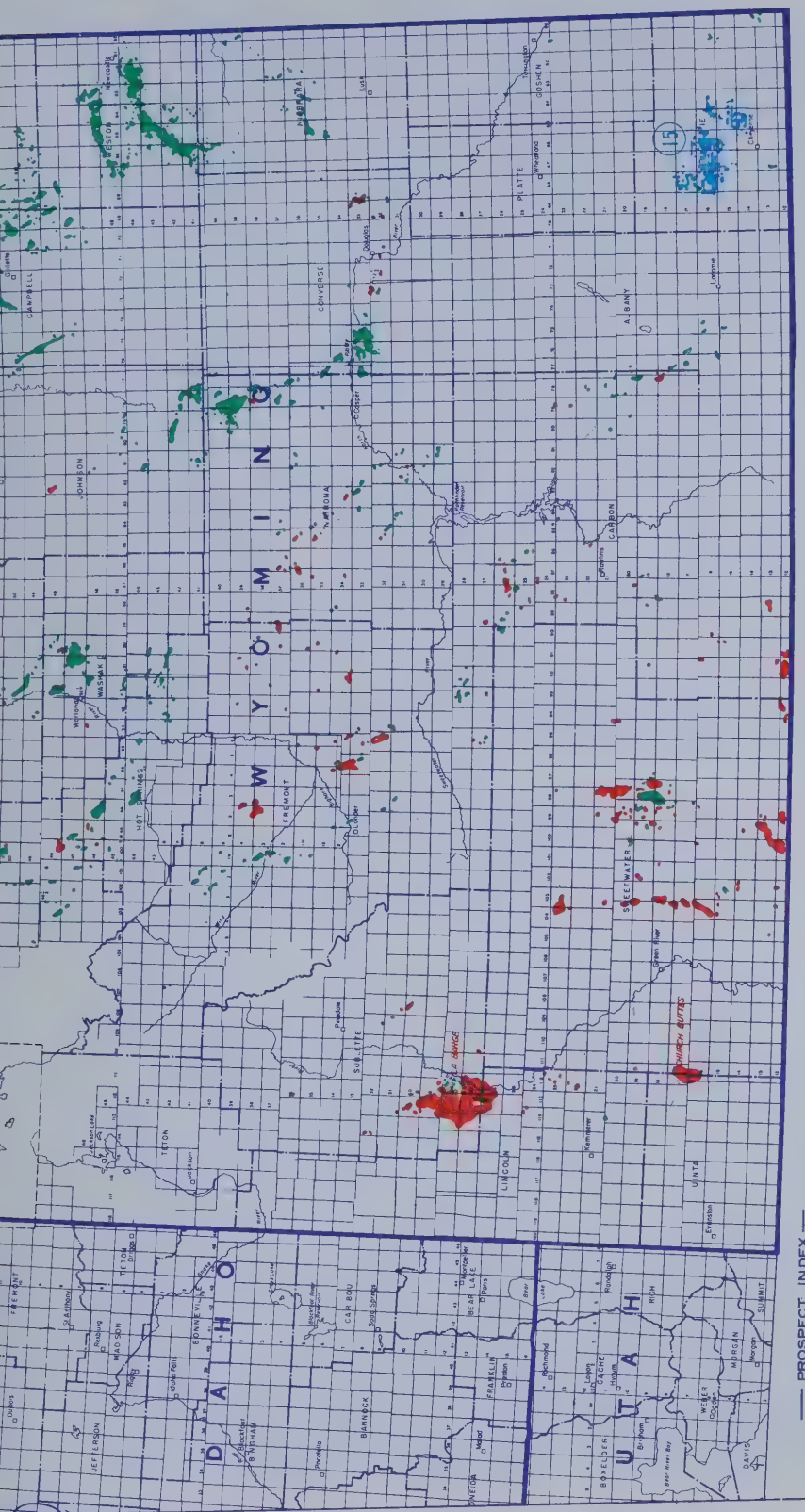
Acreage Interests in Western Canada - Hudson Bay

CLARK CANADIAN EXPLORATION COMPANY



Acreage Interests in ALASKA - BEAUFORT SEA

CLARK CANADIAN EXPLORATION COMPANY



SCALE 0 20 40 60 miles

LEGEND



Acreage Interests in

THE ROCKY MOUNTAIN REGION

CLARK CANADIAN EXPLORATION COMPANY

PROSPECT INDEX

- 1 BRONSON
- 2 N.W. SONNETTE
- 3 S.E. SONNETTE
- 4 N.W. RECLUSE
- 5 N. REMINGTON CREEK
- 6 BENTEN - CROW
- 7 POCKET CREEK
- 8 WEST LODGE GRASS
- 9 N. KITTY
- 10 N. SANDBAR
- 11 DUCK CREEK
- 12 LITTLE POWDER RIVER
- 13 S. RECLUSE
- 14 WILDCAT CREEK
- 15 N.W. DENVER BASIN

MANAGEMENT

The management of the Company is headed by Mr. E. B. Clark, Jr., President, who founded the Company in 1966, and who may be considered to have been and to be the promoter of the Company. Mr. Clark was a partner in a Texas based independent oil and gas producing company for many years prior to the formation of the Company, and as such, was familiar with all phases of an independent oil company operation. Mr. Patrick S. Beard, Vice-President, heads the Land Department of the Company. Mr. Beard earned a Bachelor of Science degree in geology from the University of Texas and has more than 15 years experience in the Rocky Mountain and Canadian petroleum industries, both as a geologist for an independent oil company and as an independent operator. Mr. Frank I. Pritchett, Jr., Exploration Manager and Assistant Secretary, obtained B.S. and M.S. degrees in geology from the University of Oregon and has extensive experience in exploration geology during the past 15 years. Mr. J. N. Sherrill Jr., Secretary and General Counsel, obtained a S.B. degree in Marine Transportation from the Massachusetts Institute of Technology and a L.L.B. degree from Harvard Law School.

CAPITALIZATION

	Authorized	Outstanding As of May 31, 1968	Outstanding As of November 30, 1968	To Be Out- standing on Completion of Financing
LOAN OBLIGATIONS				
1. Mrs. E. B. Clark, Sr. (1)	_____	\$186,645	\$142,824	Nil
2. Canadian Imperial (2)				
Bank of Commerce		35,850	29,412	29,412
Calgary, Alberta				
SHARES (3)	5,000,000 shs.	15,000 shs.	15,292 shs.	1,814,285 shs. (4)
		(\$ 16,230)	(\$ 16,546)	(\$1,414,785)
(1) Loan originally obtained for purchasing a substantial amount of the Company's acreage in the Northwest Recluse Area, Montana; such loan was renewed on October 24, 1968, by a promissory note in the principal amount of \$132,000 (U.S.) bearing interest at the rate of eight percent (8%) per annum and payable on or before ninety (90) days from such date. See Note 4 under the heading "Notes to Financial Statements" in this prospectus.				
(2) Production loan represented by a promissory note dated September 14, 1967, in the original principal amount of \$39,750 bearing interest at the rate of six and one-half percent (6½%) per annum and secured by an assignment pursuant to Section 82 of the Bank Act of all the Company's original working interest in the Wapella and Pleasant Plains Wells, Saskatchewan. See Note 4 under the heading "Notes to Financial Statements" in this prospectus.				
(3) After giving effect to the restatement of the Company's Articles of Incorporation dated December 30, 1968. See Note 6 under the heading "Notes to Financial Statements" in this prospectus.				
(4) An additional 100,000 shares are reserved against the exercise of an option in favor of the Underwriter at the minimum price of \$2.00 per share referred to under the heading "Plan of Distribution" in this prospectus. Another 75,000 shares are reserved against the exercise of options in favor of certain officers, directors and employees of the Company at the price of \$2.00 per share referred to under the heading "Options" in this prospectus. See Note 5 under the heading "Notes to Financial Statements" in this prospectus.				

DESCRIPTION OF SHARES

The authorized capital of the Company consists of five million common shares; 700,000 shares have been firmly underwritten and are being offered for sale by this prospectus. An additional 100,000 shares are optioned to the Underwriter, and so many of such shares as are purchased by the Underwriter will be offered for sale by this prospectus. The shares have no par or nominal value, have no pre-emptive rights, and the holders thereof are entitled to one vote at all meetings of the shareholders of the Company. The shares are entitled to such dividends as the Board of Directors of the Company may from time to time declare, and none of such shares has any preference on liquidation or distribution. All outstanding shares and shares offered hereby are and will be fully paid and non-assessable. The rights attaching to such shares can be altered only by amendment of the Company's Articles of Incorporation by the holders of at least two-thirds of the then outstanding shares of the Company or by amendment of the Texas Business Corporation Act by the Legislature of the State of Texas under which Act the Company was organized and now operates.

DIVIDENDS

No dividends have been paid on any of the shares of the Company since its inception, and it is not expected that the Company will pay any dividends in the near future.

PLAN OF DISTRIBUTION

By an Underwriting Agreement dated January 3, 1969, as amended on February 7, 1969, between the Company and Moss, Lawson & Co., Limited, the Company has agreed to sell the 700,000 shares offered by this prospectus at \$2.00 a share, and subject to the terms and conditions of the Underwriting Agreement, the Underwriter has agreed on its own behalf to purchase all of such shares against delivery of certificates representing the same on or about February 20, 1969. The Underwriter has further agreed to offer such shares to the public at \$2.20 per share.

The Company has also granted the Underwriter an option to purchase an additional 100,000 shares within one year from the date of the acceptance for filing by the Ontario Securities Commission of this prospectus. Such shares may be purchased by the Underwriter at \$2.00 per share for sale to the public at \$2.50 per share, or if the market bid price exceeds \$2.50 per share at the time of the exercise of the option, the said shares may be purchased by the Underwriter at the market bid price less 20% for sale to the public at market price.

USE OF PROCEEDS

The net proceeds from the sale of the 700,000 shares offered by this prospectus will amount to approximately \$1,375,000 after deducting the expenses of this offering which are estimated at \$25,000. Such proceeds will be used to retire the loan from Mrs. E. B. Clark, Sr. in the principal amount of \$142,824 and unsecured loans from the City National Bank in Wichita Falls, Wichita Falls, Texas, U.S.A. in the total principal amount of \$102,790, which includes the sum of \$54,100 borrowed by the Company subsequent to November 30, 1968. It is anticipated that during 1969 the Company will expend approximately \$465,000 on exploratory and development drilling and seismic programs on its properties in Canada and the U.S.A. and will expend approximately \$250,000 for the purchase of additional properties in Northern Canada and the U.S.A. The Company also expects to make dry-hole contributions to other oil companies operating in the Wyoming and Montana area totaling approximately \$35,000. The balance of the proceeds will be used by the Company for general operating expenses and in the ordinary course of its business of acquiring, exploring and developing petroleum, natural gas and mineral properties in Canada, Alaska, the Rocky Mountain area of the U.S.A. and possibly outside the continental U.S.A. None of the proceeds will be expended on any new properties acquired without an amendment to this prospectus being filed and accepted if the securities of the Company are then in the course of primary distribution to the public. The Company will invest the excess of the proceeds over its immediate cash requirements (approximately \$800,000) in Dominion of Canada treasury bills, other governmental debt obligations, high grade short term corporate debt obligations and/or chartered bank or trust company certificates of deposit or similar instruments.

DIRECTORS AND OFFICERS

DIRECTORS

EUGENE BRAGG CLARK, SR.	Executive	3303 Mockingbird Wichita Falls, Texas, U.S.A.
EUGENE BRAGG CLARK, JR.	Executive	111 Gilpin Denver, Colorado U.S.A.
JOSEPH NEWTON SHERRILL JR.	Attorney	2003 Avondale Wichita Falls, Texas, U.S.A.
PATRICK STOKLEY BEAIRD	Executive	4651 LaSalle Place Denver, Colorado U.S.A.
JAMES CHRISTOPHER SAKS	Investment Dealer	1332 Frontenac Ave., S.W. Calgary 3, Alberta

OFFICERS

EUGENE BRAGG CLARK, JR.	President & Treasurer	111 Gilpin Denver, Colorado U.S.A.
PATRICK STOKLEY BEAIRD	Vice- President	4651 LaSalle Place Denver, Colorado U.S.A.
FRANK IDE PRITCHETT, JR.	Exploration Manager & Asst. Secretary	6301 S. Grant Drive Denver, Colorado U.S.A.
JOSEPH NEWTON SHERRILL JR.	Secretary	2003 Avondale Wichita Falls, Texas, U.S.A.

The positions, offices and principal occupations held by the directors and officers of the Company within the five preceding years are as follows:

Mr. E. B. Clark, Sr., has served as Chairman of the Board of Directors since the inception of the Company. For the past five years, Mr. Clark has been a partner (and since 1966 the sole proprietor) of E. B. Clark Drilling Company, an independent oil and gas producing company with properties in Texas, New Mexico and Oklahoma.

Mr. E. B. Clark, Jr., has served as President, Treasurer and a Director of the Company since its incorporation in 1966. For over three years prior thereto, Mr. Clark was a partner in the E. B. Clark Drilling Company.

Mr. Sherrill has been a partner in the firm of Eggers, Sherrill, Pace & Rogers, Attorneys, Wichita Falls, Texas, for the past five years.

Mr. Beaird has been employed as Land Manager of the Company since its inception, and he was elected Vice-President of the Company in February, 1967, and a Director of the Company on January 3, 1969. Mr. Beaird was an independent consulting geologist and petroleum producer prior to his association with the Company.

Mr. Saks was elected a Director of the Company on January 3, 1969. From 1961 through 1964 Mr. Saks was president of Inter-Provincial Utilities, Ltd. and Polaris Pipe Lines. Mr. Saks joined Moss, Lawson & Co., Limited in 1964 as its registered representative at its Calgary, Alberta office. He was elected a director of such company on November 15, 1967.

Mr. Pritchett has been Exploration Manager of the Company since its inception. For more than three years prior thereto, Mr. Pritchett was an independent consulting geologist and during such time also served as Exploration Manager for a small independent oil corporation located in Denver, Colorado.

REMUNERATION OF DIRECTORS AND OFFICERS

The aggregate remuneration paid by the Company to the officers of the Company during the financial year of the Company ended May 31, 1968, was \$52,800 (U.S.) and for the period from June 1, 1968, to November 30, 1968, was \$30,000 (U.S.); no remuneration was paid to the Directors of the Company, as such, during these periods. The aggregate remuneration estimated to be paid or payable by the Company during the current financial year to officers of the Company is \$61,500 (U.S.) and to the Directors of the Company, as such, is nil. Mr. E. B. Clark, Jr., who may be regarded as being and having been the promoter of the Company, received remuneration by way of salary from the Company for the period February 1, 1967, to November 30, 1968, in the aggregate amount of \$44,000 (U.S.).

PROFIT-SHARING PLAN

In April of 1968, the Company instituted a Profit Sharing Plan for all of its officers and eligible employees. Contributions are made to such plan by the Company on a voluntary basis and in the annual discretion of the Company's Board of Directors. The Company has applied to the United States Internal Revenue Service for a Determination Letter that such plan is qualified for exempt status pursuant to the provisions of Section 501(a) of the Internal Revenue Code of the United States of America. Such application has not been acted upon as of this date. The only contribution made to such plan by the Company as of this date is a 3% overriding royalty interest covering the William C. Johnson lease in Campbell County, Wyoming; such contribution was valued at \$2,670. The maximum contribution which may be made by the Company from its profits in any one fiscal year is limited to 15% of the aggregate remuneration paid by the Company during such year to the participants in the Plan.

OPTIONS

By Resolution of the Company's Board of Directors dated January 3, 1969, the Company authorized the granting of options totaling 75,000 shares at \$2.00 per share to the following officers, directors and employees of the Company:

Name	Company Position	Total Options Granted
EUGENE BRAGG CLARK, SR.	Chairman, Board of Directors	16,000 shs.
EUGENE BRAGG CLARK, JR.	President, Treasurer and Director	16,000 shs.
PATRICK STOKLEY BEAIRD	Vice-President, Director	12,500 shs.
FRANK IDE PRITCHETT, JR.	Exploration Manager and Asst. Secretary	12,500 shs.
JOSEPH NEWTON SHERRILL JR.	Secretary, General Counsel and Director	11,500 shs.
TED CLARK FOWLER	Staff Geologist	6,500 shs.
TOTAL		75,000 shs.

All of such options are for a term of five years from the date of the authorizing resolution and may be exercised at any time during such term. All or any part of the shares purchased by any of such persons pursuant to such options shall immediately become subject to the Voting Trust Agreement discussed under the heading "Principal Shareholders and Shares in Escrow" in this prospectus.

There are no other options outstanding or intended to be outstanding with respect to the shares of the Company except the option on 100,000 shares to be granted to Moss, Lawson & Co., Limited pursuant to the terms of the Underwriting Agreement referred to under the heading "Plan of Distribution" in this prospectus.

MATERIAL CONTRACTS

Particulars regarding any material contract entered into by the Company within two (2) years prior to the date hereof, other than in the ordinary course of business, are as follows:

1. Underwriting Agreement discussed under the heading "Plan of Distribution" in this prospectus.
2. Options granted to certain officers, directors and employees of the Company to purchase a total of 75,000 shares of the Company discussed under the heading "Options" in this prospectus.
3. Merger Agreement with Amherst Canadian Oil Company discussed under the heading "Interest of Management and Others in Material Transactions" in this prospectus.
4. Purchase Agreement with Mr. E. B. Clark, Sr., discussed under the heading "Interest of Management and Others in Material Transactions" in this prospectus.

Copies of such agreements may be inspected during ordinary business hours at the executive offices of the Company and its Calgary, Alberta branch office while the shares offered by this prospectus are in the course of primary distribution to the public and for a period of thirty (30) days thereafter.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Effective September 1, 1968, the Company purchased all of Mr. E. B. Clark, Sr.'s individual interest in the two (2) Pleasant Plains, Saskatchewan, producing oil wells, one (1) water injection well and the undeveloped oil and gas leases in such area in exchange for the issuance of 155 shares of the Company. Mr. Clark's individual interest in such wells and leases at such date was valued at \$11,734. Mr. Clark acquired his interest in the Pleasant Plains area in January of 1967, at a cost of \$5,375 which included his share of the cost of drilling the initial test well in this area to casing point. Subsequently, Mr. Clark paid \$639 in additional leasehold costs.

Also effective September 1, 1968, the Company acquired all of Amherst Canadian Oil Company's ("Amherst") interest in the two (2) producing oil wells in the Wapella, Saskatchewan, field and the undeveloped oil and gas leases therewith and Amherst's interest in the undeveloped oil and gas leases in the Carlyle, Saskatchewan area; all of such property was valued by the Company at \$13,066. The purchase was accomplished by virtue of a merger with Amherst. Pursuant to the plan of merger, the shareholders of Amherst received a total of 137 shares of the Company. Amherst acquired its interest in the Wapella area in November of 1966, at a cost of \$15,635, which included its share of drilling the five (5) test wells in this area to casing point. Subsequently, Amherst paid \$679 in additional leasehold costs. Amherst acquired its interest in the Carlyle area in May of 1967 at a cost of \$14,750 which included its cost of drilling the three (3) test wells in this area to casing point.

Mr. J. N. Sherrill Jr., Secretary, General Counsel and Director of the Company, was President, a director and shareholder of Amherst.

PRINCIPAL SHAREHOLDERS AND SHARES IN ESCROW

The following table lists each shareholder who is known to the Company to own beneficially, directly or indirectly and of record ten percent (10%) or more of the outstanding shares of the Company at the date hereof:

Name and Address	Number of Shares Owned	Percentage of Class Before Public Offering	Percentage of Class After Public Offering
EUGENE BRAGG CLARK, SR. 3303 Mockingbird Wichita Falls, Texas U.S.A.	367,641	32.99	20.26
EUGENE BRAGG CLARK, JR. 111 Gilpin Denver, Colorado U.S.A.	356,346	31.98	19.64
PATRICK STOKLEY BEAIRD 4651 LaSalle Place Denver, Colorado U.S.A.	144,605	12.98	7.97
FRANK IDE PRITCHETT, JR. 6301 S. Grant Drive Denver, Colorado U.S.A.	144,605	12.98	7.97

All of the above described persons are officers of the Company, and Mr. E. B. Clark, Sr. is the father of Mr. E. B. Clark, Jr.

At the date hereof, the directors and senior officers as a group, beneficially owned 1,028,093 shares of the Company being 92.26 percent of the 1,114,285 shares outstanding. After the public offering of 700,000 shares by this prospectus is completed, the directors and senior officers as a group will beneficially own 56.66 percent of the 1,814,285 shares outstanding.

All of the outstanding shares of the Company not being offered for sale to the public by this prospectus (1,114,285) are subject to the terms of a Voting Trust Agreement effective January 30, 1967. Pursuant to such Agreement, Messrs. E. B. Clark, Sr., E. B. Clark, Jr. and J. N. Sherrill Jr. were appointed Trustees to vote all of such shares as the majority of such Trustees may determine. Mr. Patrick S. Beaird was appointed as Successor to the above described Trustees in the event of the death, resignation, incapacity or refusal to act of any of them. The term of such Agreement is for ten (10) years.

75% of the shares of the principal shareholders or a total of 759,898 shares have been placed in escrow with The Canada Trust Company, Toronto, subject to release only upon the prior written consent of the Ontario Securities Commission and which shares may not be transferred, hypothecated, pledged or otherwise dealt with except with the prior written consent of the Ontario Securities Commission.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company auditors are Arthur Andersen & Co., 1700 Broadway, Denver, Colorado 80202.

The Transfer Agent and Registrar for the shares of the Company in Canada is The Canada Trust Company, 110 Yonge Street, Toronto, Ontario and 528 8th Ave., S.W., Calgary, Alberta.

Clark Canadian Exploration Company

AUDITORS' REPORT

To the Directors,

CLARK CANADIAN EXPLORATION COMPANY:

We have examined the balance sheet of CLARK CANADIAN EXPLORATION COMPANY (a Texas corporation) as of May 31, 1968, and the related statements of income, retained earnings, and funds for the period from inception (June 23, 1966), to May 31, 1967, and for the year ended May 31, 1968. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of Clark Canadian Exploration Company as of May 31, 1968, and the results of its operations and the source and application of funds for the period ended May 31, 1967, and for the year ended May 31, 1968, in conformity with generally accepted accounting principles applied on a consistent basis during the periods.

(signed) ARTHUR ANDERSEN & Co.

Denver, Colorado,
December 20, 1968.

Clark Canadian Exploration Company

BALANCE SHEETS (NOTE 1)

(Canadian Dollars)

	May 31, 1968	November 30, 1968 (Note 2) (Unaudited)	Pro Forma November 30, 1968 (Note A) (Unaudited)
ASSETS			
CURRENT ASSETS:			
Cash	\$ 11,287	\$ 37,814	\$1,221,300
Cash held in escrow	12,620	12,620	12,620
Canadian bonds, at cost which approximates market	10,009	—	—
Accounts and notes receivable	488,176	195,597	195,597
Leases held for resale, at cost	26,702	156,212	156,212
Prepaid expenses	2,164	—	—
Total current assets	550,958	402,243	1,585,729
PROPERTY AND EQUIPMENT, at cost (Notes 2 and 3):			
Nonproducing oil and gas leases	185,344	175,498	175,498
Producing oil and gas leases, including lease and well equipment	28,861	42,054	42,054
Furniture and fixtures	7,020	11,652	11,652
	221,225	229,204	229,204
Less — Reserves for depreciation and depletion	8,875	11,953	11,953
	212,350	217,251	217,251
OTHER ASSETS	1,182	1,316	1,316
	<u>\$ 764,490</u>	<u>\$ 620,810</u>	<u>\$1,804,296</u>
LIABILITIES			
CURRENT LIABILITIES:			
Short-term notes payable (Note 4)	\$ 407,914	\$ 353,084	\$ 161,570
Current maturities on long-term debt (Note 4)	12,984	12,984	12,984
Accounts payable	108,173	78,104	78,104
Accrued interest and other taxes	5,625	3,536	3,536
Accrued income taxes (Note 1)	—	17,312	17,312
Deferred income taxes (Note 1)	79,743	35,381	35,381
Total current liabilities	614,439	500,401	308,887
LONG-TERM NOTE PAYABLE, less current maturity above (Note 4)	<u>22,866</u>	<u>16,428</u>	<u>16,428</u>
SHAREHOLDERS' INVESTMENT (Notes 2, 3, 5 and 6):			
Common stock, \$1.082 par value, 20,000 shares authorized, 15,000 and 15,292 shares outstanding at May 31, 1968, and November 30, 1968, respectively (subsequent to November 30, 1968, authorized shares were increased to 5,000,000 no par value common stock and the 15,292 shares then outstanding were converted to 1,114,285 shares)	16,230	16,546	1,414,785
Capital in excess of par value	—	23,239	—
Retained earnings	110,955	64,196	64,196
	127,185	103,981	1,478,981
	<u>\$ 764,490</u>	<u>\$ 620,810</u>	<u>\$1,804,296</u>

Approved on behalf of the Board:

(signed) E. B. CLARK, JR., Director.

(signed) J. N. SHERRILL JR., Director.

The accompanying notes to financial statements and note to pro forma balance sheet
are an integral part hereof.

Clark Canadian Exploration Company

STATEMENTS OF INCOME (NOTE 1) (Canadian Dollars)

	For the Period from Inception (June 23, 1966) to May 31, 1967	For the Year Ended May 31, 1968	For the Six Months Ended November 30, 1967 1968 (Note 2)	
			(Unaudited)	(Unaudited)
REVENUES:				
Contract drilling and lease sales	\$ 229,781	\$ 865,758	\$ 235,528	\$ 182,382
Geological services and sublease bonus income	350,297	93,011	42,187	—
Oil sales and other income	7,689	21,298	9,877	10,440
	<u>587,767</u>	<u>980,067</u>	<u>287,592</u>	<u>192,822</u>
EXPENSES:				
Cost of contract drilling and lease sales	149,514	493,106	171,663	73,860
General and administrative expenses	68,828	170,794	76,981	103,141
Intangible development and dryhole costs ..	42,509	123,422	90,124	45,997
Geological expenses	239,797	39,180	24,229	24,038
Lease operations, rentals and abandonments ..	1,819	22,536	8,931	6,230
Depreciation and depletion	2,728	6,147	4,512	3,216
Interest expense	3,223	13,533	2,420	10,149
	<u>508,418</u>	<u>868,718</u>	<u>378,860</u>	<u>266,631</u>
INCOME (LOSS) BEFORE INCOME TAXES	79,349	111,349	(91,268)	(73,809)
PROVISION FOR INCOME TAXES (Note 1):				
Currently payable	8,482	—	—	—
Deferred	22,571	48,690	—	—
TAX BENEFIT OF OPERATING LOSSES (Note 1) ..	—	—	36,788	27,050
	<u>31,053</u>	<u>48,690</u>	<u>36,788</u>	<u>27,050</u>
NET INCOME (LOSS)	\$ 48,296	\$ 62,659	\$ (54,480)	\$ (46,759)

The accompanying notes to financial statements are an integral part hereof.

Clark Canadian Exploration Company

STATEMENT OF CAPITAL IN EXCESS OF PAR VALUE (NOTE 1)

(Canadian Dollars)

	For the Six Months Ended November 30, 1968 (Unaudited) (Note 2)
BALANCE, beginning of period	\$ —
Excess of value received over par value of stock issued in Amherst Canadian Oil Company merger (Note 2)	10,887
Excess of value received over par value of stock issued for certain producing properties (Note 3)	12,352
BALANCE, end of period	<u>\$ 23,239</u>

STATEMENTS OF RETAINED EARNINGS (NOTE 1)

(Canadian Dollars)

	For the Period from Inception (June 23, 1966) to May 31, 1967	For the Year Ended May 31, 1968	For the Six Months Ended November 30, 1968 (Unaudited)	1968 (Note 2) (Unaudited)
BALANCE, beginning of period	\$ —	\$ 48,296	\$ 48,296	\$ 110,955
Net income (loss)	48,296	62,659	(54,480)	(46,759)
BALANCE, end of period	<u>\$ 48,296</u>	<u>\$ 110,955</u>	<u>\$ (6,184)</u>	<u>\$ 64,196</u>

The accompanying notes to financial statements are an integral part hereof.

Clark Canadian Exploration Company

STATEMENTS OF FUNDS

(Canadian Dollars)

	For the Period from Inception (June 23, 1966) to May 31, 1967	For the Year Ended May 31, 1968	For the Six Months Ended November 30, 1968 (Note 2)	
			1967 (Unaudited)	(Unaudited)
FUNDS WERE PROVIDED FROM:				
Net income (loss) for the period	\$ 48,296	\$ 62,659	\$ (54,480)	\$ (46,759)
Add charges to income not requiring funds—				
Depreciation and depletion	2,728	6,147	4,512	3,216
Lease abandonments	—	7,016	2,116	4,244
Increase (decrease) in deferred in- come taxes	22,571	57,172	(22,571)	(44,362)
Funds provided from operations	73,595	132,994	(70,423)	(83,661)
Proceeds from short and long-term bor- rowings	402,567	948,664	173,113	113,610
Common stock issued (Notes 2 and 3)	16,230	—	—	1,042
	<u>\$ 492,392</u>	<u>\$1,081,658</u>	<u>\$ 102,690</u>	<u>\$ 30,991</u>
FUNDS WERE USED FOR:				
Payments on short and long-term bor- rowings	\$ 402,567	\$ 504,900	\$ —	\$ 174,878
Acquisition of nonproducing leases and leases held for resale	30,062	208,007	82,803	114,646
Acquisition of producing leases, including lease and well equipment	14,042	14,695	14,510	—
Furniture and fixture additions	1,597	5,546	4,207	4,632
Net increase in other assets	1,676	1,670	2,335	214
Increase (decrease) in working capital, exclusive of short-term borrowings, leases held for resale and deferred income taxes	42,448	346,840	(1,165)	(263,379)
	<u>\$ 492,392</u>	<u>\$1,081,658</u>	<u>\$ 102,690</u>	<u>\$ 30,991</u>

The accompanying notes to financial statements are an integral part hereof.

Clark Canadian Exploration Company

NOTE TO PRO FORMA BALANCE SHEET NOVEMBER 30, 1968 (Unaudited)

(A) BASIS FOR PRO FORMA ADJUSTMENTS

The Company has negotiated to issue 700,000 shares of its newly authorized no par value common stock for \$2.20 per share.

The pro forma balance sheet as of November 30, 1968, has been prepared under the assumption that the proceeds, net of underwriting discount, from the issuance of the 700,000 shares will be used to pay expected underwriting expenses of \$25,000 and to pay off the note payable to Mrs. E. B. Clark, Sr. in the principal amount of \$142,824 and the unsecured 7½% note payable to a bank, due January 25, 1969, in the principal amount of \$48,690. The remaining proceeds will be used to meet operating requirements and therefore have been reflected as an increase in cash.

NOTES TO FINANCIAL STATEMENTS MAY 31, 1968 (Including Notes Applicable to Unaudited Periods)

(1) BASIS OF ACCOUNTING AND REPORTING

The Company maintains its accounts and files its income tax returns on the cash basis. To present the Company's financial position and the results of its operations in accordance with generally accepted accounting principles, the financial statements have been prepared on the accrual basis.

The provision for income taxes and corresponding accrued and deferred income taxes in the accompanying financial statements have been computed on the accrual basis. The tax benefit of the operating losses for the six months ending November 30, 1967 and 1968, has been used to reduce the deferred income tax liability and to recover taxes provided on income for the periods ending May 31, 1967 and 1968.

The accounts are maintained in United States currency, and have been converted into Canadian dollars at a standard exchange rate of 108.2.

(2) MERGER WITH AMHERST CANADIAN OIL COMPANY

On August 31, 1968, the shareholders of Clark Canadian Exploration Company and Amherst Canadian Oil Company approved the merger of Amherst into Clark. In connection with the merger Clark issued 137 shares of common stock in exchange for the 20,000 outstanding shares of common stock of Amherst. For accounting purposes the merger has been treated as a purchase and, accordingly, the excess of value received over the par value of the shares issued (\$10,887) has been credited to capital in excess of par value. The results of operations of the properties acquired in the merger with Amherst have been included in the statements of income, retained earnings and funds since the date of the merger, August 31, 1968.

Amherst's unaudited financial statements for its fiscal year ended August 31, 1968, showed a loss from operations of approximately \$13,700.

(3) PRODUCING PROPERTY ACQUISITION

On September 1, 1968, the Company issued 155 shares of common stock in exchange for certain producing oil and gas properties. The excess of value received over the par value of the stock issued of \$12,352 has been credited to capital in excess of par value.

(4) SHORT AND LONG-TERM NOTES PAYABLE

Short and long-term notes payable are summarized as follows:

	May 31, 1968	
	Current Maturities	Long-Term
6½% note for \$159,595, due September 19, 1968, and 8% note for \$27,050, due July 24, 1968, payable to Mrs. E. B. Clark, Sr.; \$27,050 secured by 4,000 acres of non-producing leases in Campbell County, Wyoming	\$ 186,645	\$ —
7½% note payable to a bank, due June 28, 1968; secured by \$201,252 of accounts receivable	201,252	—
7¾% notes payable to a bank, due on demand; guaranteed by shareholders	20,017	—
	<u>407,914</u>	
8% note payable to a bank, payable on oil production; secured by oil production from three producing wells	12,984	22,866
	<u>\$ 420,898</u>	<u>\$ 22,866</u>
	November 30, 1968	
	Current Maturities	Long-Term
8% note payable to Mrs. E. B. Clark, Sr., due January 23, 1969; unsecured	\$ 142,824	\$ —
7½% notes payable to a bank for \$45,444 and \$27,050, due December 17, 1968; \$45,444 secured by a lease purchase agreement which is dependent upon the Company's successfully obtaining certain acreage through Government filings on the North Slope — Bethel Basin, Alaska area or by the Government's refunding of amounts previously paid by the Company with respect to rejected lease applications, if any	72,494	—
7½% note payable to a bank, due January 25, 1969; unsecured	48,690	—
7½% note for \$79,076 and 7¾% note for \$10,000, payable to a bank, due on demand; guaranteed by shareholders	89,076	—
	<u>353,084</u>	
8% note payable to a bank, payable on oil production; secured by oil production from three producing wells	12,984	16,428
	<u>\$ 366,068</u>	<u>\$ 16,428</u>

EVENTS SUBSEQUENT TO THE DATE OF AUDITORS' REPORT

(5) STOCK OPTIONS

Pursuant to a resolution by the Board of Directors of the Company on January 3, 1969, stock options consisting of 75,000 shares of common stock were granted to officers and key employees of the Company. These options are exercisable at any time for a period of five (5) years from January 3, 1969, at \$2.00 per share.

Options to acquire an additional 100,000 shares of common stock at the greater of \$2.00 per share or 80% of the market price on the date the option is exercised are to be granted to the underwriters handling the proposed stock issue, as more fully discussed in the Note to Pro Forma Balance Sheet, November 30, 1968. This option will be exercisable for a period of one year after the acceptance for filing by the Ontario Securities Commission of this prospectus.

(6) INCREASE IN COMMON STOCK AUTHORIZED AND OUTSTANDING

Subsequent to November 30, 1968, the Articles of Incorporation of the Company were amended to increase the common stock authorized to 5,000,000 shares without par value, and the 15,292 common shares then outstanding were converted into 1,114,285 shares of the newly authorized common stock with no par value.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION OF PURCHASES IN ONTARIO AND ALBERTA

The attention of purchasers in the Provinces of Ontario and Alberta of any of the securities offered by this prospectus is drawn to certain provisions of relevant legislation, namely: The Securities Act, 1966 (Ontario) and The Securities Act, 1967 (Alberta), which permits such purchasers in certain events and subject to certain conditions:

- (a) to withdraw from any agreement of purchase if written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement of purchase is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus is received or is deemed to be received by the purchaser or his agent; and
- (b) to rescind the agreement of purchase by institution of legal proceedings within 90 days from the later of the date of receipt of the prospectus or amended prospectus by the purchaser or his agent or the date of the agreement of purchase if such prospectus, as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in the light of the circumstances in which it was made.

The full text of the respective statutory provisions summarized above are contained in Sections 63 and 64 of The Securities Act, 1966 (Ontario) and Sections 63 and 64 of The Securities Act, 1967 (Alberta), reference to which is here made for all purposes.

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder, by Part 7 of The Securities Act, 1967 (Alberta) and the regulations thereunder, and by Part II of The Securities Act, 1954 (Newfoundland) and the regulations thereunder, and there is no further material information applicable other than in the financial statements or reports where required or exigible.

DATED: February 7, 1969.

(Signed) E. B. CLARK, JR.
Chief Executive Officer and Promoter

(Signed) J. N. SHERRILL JR.
Chief Financial Officer

On behalf of the Board of Directors by:

(Signed) PATRICK S. BEAIRD
Director

(Signed) JAMES C. SAKS
Director

CERTIFICATE OF UNDERWRITER

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder, by Part 7 of the Securities Act, 1967 (Alberta) and the regulations thereunder and by Part II of the Securities Act, 1954 (Newfoundland) and the regulations thereunder and there is no further material information applicable other than in the financial statements or reports where required or exigible.

DATED: February 7, 1969.

MOSS, LAWSON & CO., LIMITED

By

(Signed) T. J. O'ROURKE, Vice-President.

The following are the names of every person having an interest either directly or indirectly, to the extent of not less than five percent (5%) in the capital of MOSS, LAWSON & CO., LIMITED:

D. G. Lawson, T. J. O'Rourke, E. R. Hastie, D. T. Gray, S. E. Rodbard, E. M. Watson, R. G. B. Clarke
A. D. Air and K. K. Knox.

SCHEDULE A

NOTES

1. Loan from Mrs. E. B. Clark, Sr., Wichita Falls, Texas, represented by a promissory note renewed January 22, 1969, in the principal amount of \$132,000.00 (U.S.) bearing interest at the rate of eight percent (8%) per annum and payable on or before ninety (90) days from such date. Such loan was originally obtained to purchase a substantial amount of the Company's acreage in the Northwest Recluse area of the State of Montana.

2. Loan from the Central Bank and Trust Company, Denver, Colorado, represented by a promissory note renewed January 16, 1969, in the principal amount of \$18,866.21 (U.S.) bearing interest at the rate of eight percent (8%) per annum and payable on or before ninety (90) days from such date.

3. Loan from the City National Bank in Wichita Falls, Wichita Falls, Texas, renewed by two (2) promissory notes each dated January 27, 1969, in the principal amounts of \$50,000.00 (U.S.) and \$45,000.00 (U.S.) bearing interest at the rate of seven and three-fourths percent (7¾%) per annum and payable on or before ninety (90) days from such date.

4. Production Loan from the Canadian Imperial Bank of Commerce represented by a promissory note in the original principal amount of \$39,750 bearing interest at the rate of six and one-half percent (6½%) per annum and payable on demand. Such loan is secured by an assignment pursuant to Section 82 of the Bank Act of all the Company's original working interest in the producing oil wells in the Wapella and Pleasant Plains areas of Saskatchewan. The principal balance of such loan is reduced by the monthly oil runs from such production; its present unpaid principal balance is \$28,493.60. The interest rate on such loan fluctuates according to the prime interest rate. The current interest rate payable by the Company on such loan is seven and three-fourths percent (7¾%) per annum.

5. Operating Loan from the Canadian Imperial Bank of Commerce in the principal amount of \$42,000.00 bearing interest currently at the rate of seven and three-fourths percent (7¾%) per annum and payable on demand. \$10,000.00 of such loan represents a compensating balance carried with the bank. The balance of such note will soon be converted into a guaranteed bank note pursuant to the governmental regulations pertaining to the purchase of oil and gas permits in the Hudson Bay area. The interest on such note fluctuates according to the prime interest rate.

SCHEDULE B

DEVELOPMENT ACCOMPLISHED AND PLANNED

ACCOMPLISHED: (since June 1, 1968)

1. Participated in the drilling of nine (9) oil wells, three (3) of which have been completed as commercial producers.

2. Granted two (2) options to other oil companies to earn an undivided one-half ($\frac{1}{2}$) interest in a total of 640 acres of the Company in the Duck Creek area of the State of Wyoming by the drilling of wells on such acreage. One of such options has lapsed, and the other has not been exercised as of this date.

3. Made dry-hole contributions to the drilling of six (6) wells in close proximity to the Company acreage in the States of Wyoming and Montana.

4. Sold (together with others) undivided interests varying from 50% to 70% in approximately 53,000 acres of oil and gas leases in the Northwest Recluse area of the State of Montana to Pan American Petroleum Corporation for approximately \$576,000 (U.S.). The Company's part of such sum was approximately \$240,000 (U.S.). Pan American Petroleum Corporation drilled two (2) exploratory wells on such acreage free of cost to the Company. Both of such wells were plugged and abandoned.

5. Sold (with others) approximately 70,500 acres of oil and gas leases in the Northwest Denver Basin area of the State of Wyoming to King Resources, Southland Royalty Company, and Midwest Oil Corporation for a price varying from \$3.00 to \$5.00 (U.S.) per net acre. The Sellers retained a three percent (3%) overriding royalty. The Company owned an undivided one-eighth ($\frac{1}{8}$ th) interest in such acreage.

6. Sold undivided interests varying from 75% to 87.5% in approximately 7,700 acres of oil and gas leases in the Crow-Beenteen area of the State of Montana to Union Oil Company of Texas and Woods Petroleum Company for approximately \$110,000 (U.S.).

7. Obtained a Farmin Agreement from Continental Oil Company on a 960 acre oil and gas lease in the Southeast Sonnette area of the State of Montana and sold an undivided five-eighths ($\frac{5}{8}$ ths) of the rights therein to Michigan Wisconsin Pipe Line Company for \$30,000 (U.S.). An exploratory well was drilled on such prospect and was plugged and abandoned.

8. Obtained a Seismic Option Agreement from Imperial Oil Enterprises Ltd., and Atlantic Richfield Company pertaining to P. & N.G. Reservation No. 4311, containing 5,120 acres and a Seismic Option Agreement from Imperial Oil Enterprises Ltd., pertaining to P. & N.G. Reservation No. 4385, containing 2,560 acres, both in the Province of Alberta. The Company sold an undivided ninety percent (90%) of its rights in both such prospects to Hudson's Bay Oil and Gas Company Limited ("Hudson's Bay"). Hudson's Bay agreed to perform all of the Company's obligations pursuant to the Seismic Option Agreements (including the performance of a total of one hundred (100) miles of seismic work on both prospects) and to reimburse the Company for one-half ($\frac{1}{2}$) of its direct costs incurred to date of sale in connection with such prospects up to a maximum of \$12,500. The seismic program has been completed by Hudson's Bay, and the results thereof are now being evaluated by both companies.

9. Obtained a Seismic Option Agreement from Olive White Garvey and Bow Valley Land Co. Ltd. pertaining to 35,040 acres of oil and gas leases in the Youngstown area of the Province of Alberta. The Company sold an undivided forty percent (40%) of its rights in the seismic program to Sunlite Oil Company Limited for \$32,500.

10. Arranged a Farmout Agreement with Texakota Oil Company pertaining to the Company's Olmstead acreage in the Duck Creek area of the State of Wyoming. A producing oil well is now located on this acreage.

11. Purchased all of the Company's oil and gas permits, applications and/or leases in the Hudson Bay, Arctic Islands, State of Alaska and the Brorson, Northwest Sonnette, Pocket Creek and West Lodge Grass areas of the State of Montana and the South Recluse area of the State of Wyoming.

PLANNED:

1. Evaluate the seismic work on P. & N.G. Reservation No. 4311 and P. & N.G. Reservation 4385 together with Hudson's Bay. Hudson's Bay will drill an exploratory well on the former reservation at its sole cost. If the results of the seismic program are favorable, an exploratory well will also be drilled on the other reservation, but with the Company paying its share of the cost thereof.

2. Conduct the required seismic program on the Youngstown area prospect. If the results of the seismic program are favorable, an exploratory well will be drilled with the Company paying its share of the cost thereof. It is anticipated that the Company will dispose of the majority of its remaining interest in this area before such a well is commenced.

3. Drill exploratory wells on the Company's South Recluse acreage in the State of Wyoming and the North Remington Creek acreage in the State of Montana with the Company paying its share of the cost thereof.

SCHEDULE B (Continued)

4. Drill two (2) additional development wells on the Company's South Whitetail acreage and as many as four (4) additional development wells on the Company's Olmstead acreage, all in the State of Wyoming, with the Company paying its share of the cost thereof.
5. Drill such other exploratory wells on the Company's acreage in the States of Wyoming and Montana as may be dictated by further development in such areas by other oil companies.
6. Conduct a joint seismic program on the Company's Brorson acreage and surrounding acreage in the State of Montana with other oil companies.
7. Sell (with others) the Company's remaining interest in 25,520 acres of oil and gas leases in the Northwest Denver Basin area of the State of Wyoming on approximately the same basis as the Company's prior sales in this area.
8. Purchase an undivided twenty-five percent (25%) interest in 1,250,000 acres of oil and gas permits off the shores of Baffin Island in Northern Canada.
9. Negotiate with major oil companies for at least two (2) seismic option agreements in the area of Northern Alberta and/or British Columbia to be conducted during the 1969-1970 winter season.
10. Purchase a substantial amount of oil and gas leases in the Anadarko Basin of the State of Oklahoma.
11. Obtain an off-shore oil and gas concession from the government of Australia if feasible.
12. Purchase other oil and gas leases, permits, reservations and/or applications in the ordinary course of the Company business.

SCHEDULE C

1. E. B. Clark, Sr. has served as Chairman of the Board of Directors since the inception of the Company. For the past five (5) years, Mr. Clark has been a partner (and since 1966 the sole proprietor) of E. B. Clark Drilling Company, an independent oil and gas company with properties in Texas, New Mexico and Oklahoma. Mr. Clark has also been active in the cattle business and has numerous other investments.

2. E. B. Clark, Jr. has served as President, Treasurer and Director of the Company since its incorporation in 1966. For over three (3) years prior thereto, Mr. Clark was a partner in the E. B. Clark Drilling Company.

3. J. N. Sherill Jr. is an attorney and has been a partner in the firm of Eggers, Sherrill, Pace & Rogers, Wichita Falls, Texas, for the past five (5) years. He has been a Director of the Company since February, 1967.

4. Patrick S. Beaird has been employed as Land Manager of the Company since its inception, and he was elected Vice-President of the Company in February, 1967, and a Director of the Company on January 3, 1969. Mr. Beaird was an independent consulting geologist and petroleum producer prior to his association with the Company.

5. James C. Saks is an investment dealer. He was elected a Director of the Company on January 3, 1969. From 1961 through 1964 Mr. Saks was President of Inter-Provincial Utilities, Ltd., and Polaris Pipe Lines; since 1964 Mr. Saks has been employed by Moss, Lawson & Co., Limited and has been resident director of its Calgary, Alberta office since November 15, 1967.

6. Frank I. Pritchett, Jr. is a geologist who has been Exploration Manager of the Company since its inception. For more than three (3) years prior thereto, Mr. Pritchett was an independent consulting geologist and during such time also served as Exploration Manager for a small independent oil corporation located in Denver, Colorado.

THE TORONTO STOCK EXCHANGE

3/8/72
24/8/72

FILING STATEMENT NO. 1847
FILED OCTOBER 19, 1972.

CLARK CANADIAN EXPLORATION COMPANY

Full corporate name of Company
Incorporated under The Texas Business Corporation Act, 1955 (Texas) by
Articles of Incorporation dated June 23, 1966 as Restated December 30,
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 1968
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT Reference is made to previous Filing Statement No. 1817.

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	See Schedule "A" on page 5.
2. Head office address and any other office address.	1840 Colorado State Bank Building, Denver, Colorado 80202 798 Pacific Plaza, Calgary, Alberta, Canada 1704 Fidelity National Bank Building, Oklahoma City, Oklahoma 73102 1100 Hamilton Building, Wichita Falls, Texas 76301
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	See Schedule "B" on page 6.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 5,000,000 no par value common shares Issued and Outstanding: 3,046,981 no par value common shares
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Pursuant to the Agreement of Sale and Exchange dated as of August 1, 1972, by and among the Company and the Stockholders, at the closing on August 8, 1972 the Company issued 257,049 of its no par value common shares to the Stockholders in exchange for their interests in Cofan. As of the date hereof, options to purchase 100,500 no par value common shares were held by persons who were officers, directors, key employees or consultants of the Company at the time of grant. These options are exercisable at any time at Cdn. \$2.00 to \$3.06 per share and terminate at varying dates through June 1, 1977.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	See Item 11.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The US\$750,000 contributed to Cofan will be expended for additional exploratory drilling to delineate the size, grade and extent of the phosphate deposits indicated by prior exploration conducted by Cofan from 1969 to 1971. A portion will also be used for a study to determine the feasibility of constructing mining and concentrating facilities, a plant near the minesite capable of annually producing 600,000 tons of 54% phosphoric acid (P ₂ O ₅) and the necessary harbor facilities to export such quantities of P ₂ O ₅ . The study will be based upon the assumption that the additional exploratory drilling will develop at least enough reserves to support such annual P ₂ O ₅ production. The Company intends to use the net proceeds from the sale of its common shares (see Item 1) primarily for the acquisition of additional producing oil and gas properties and to pay its part of the leasehold, drilling and completion costs of wells in which the Company has an interest through its joint ventures in the Anadarko Basin of Oklahoma and Texas and in Western Canada and with others.

FINANCIAL STATEMENTS

CLARK CANADIAN EXPLORATION COMPANY AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET

(Prepared from the accounts without audit)

FINANCIAL

ON BEHALF OF THE BOARD OF DIRECTORS

ASSETS

Gene Cough
Claude H. Neale

AUGUST 31

CURRENT ASSETS:

Cash	\$ 184,128	\$ 59,086
Accounts and notes receivable	195,936	272,289
Leases held for resale, at cost (Note 3)	88,228	90,098
Deposits and other assets	16,173	17,126
Total current assets	<u>484,465</u>	<u>438,599</u>

PROPERTY AND EQUIPMENT, at cost

(Notes 3 and 4):

Oil and gas properties	2,746,059	1,700,498
Furniture and fixtures	113,831	93,007
	<u>2,859,890</u>	<u>1,795,305</u>

Less-Reserves for depreciation,
depletion and amortization

(773,212)	(438,726)
<u>2,086,678</u>	<u>1,356,579</u>

INVESTMENT IN COFAN (Note 2)

173,914	-
---------	---

DEFERRED COSTS

51,207	-
<u>\$ 2,796,264</u>	<u>\$ 1,795,178</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 150,455	\$ 270,794
Total current liabilities	<u>150,455</u>	<u>270,794</u>

SHAREHOLDERS' INVESTMENT:

(Notes 2,3,4, and 5):

Common stock, no par value-		
Authorized 5,000,000 shares		
Issued 3,046,981 shares in 1972		
and 1,919,285 shares in 1971	1,997,299	1,141,447
Capital surplus	631,116	345,832
Retained earnings	17,394	31,105
	<u>2,645,809</u>	<u>1,518,384</u>
	<u>\$ 2,796,264</u>	<u>\$ 1,795,178</u>

The accompanying notes to consolidated financial statements are an integral part of this balance sheet.

Three Months Ended August 31

	1972	1971
OPERATING REVENUES:		
Lease and service sales (Note 1)	\$181,823	\$204,974
Oil and gas production income	133,009	55,228
	<u>314,832</u>	<u>260,202</u>
OPERATING EXPENSES (Note 3):		
Cost of lease and service sales	124,551	107,975
Oil and gas production expenses	27,474	16,616
General and administrative expenses	77,459	69,120
Depreciation, depletion and amortization	84,000	31,000
	<u>313,484</u>	<u>224,711</u>
NET INCOME (Note 4)	<u>\$ 1,348</u>	<u>\$ 35,491</u>
EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE (Note 6)	<u>\$ -</u>	<u>\$.02</u>
EARNINGS PER COMMON SHARE ASSUMING FULL DILUTION (Note 6)	<u>\$ -</u>	<u>\$.02</u>

The accompanying notes to consolidated financial statements are an integral part of this statement.

CLARK CANADIAN EXPLORATION COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF SHAREHOLDERS' INVESTMENT
(Prepared from the accounts without audit)

	<u>Common Stock, No Par Value</u>		<u>Capital Surplus</u>	<u>Retained Earnings (Deficit)</u>
	<u>Number of Shares Outstanding</u>	<u>Amount</u>		
BALANCES, May 31, 1971	1,919,285	\$1,141,447	\$345,832	\$ (4,386)
Net income for the period				35,491
BALANCES, August 31, 1971	<u>1,919,285</u>	<u>\$1,141,447</u>	<u>\$345,832</u>	<u>\$31,105</u>
BALANCES, May 31, 1972	2,789,932	\$1,804,512	\$566,854	\$16,046
Acquisition of Cofan (Note 2)	257,049	192,787	64,262	
Net income for the period				1,348
BALANCES, August 31, 1972	<u>3,046,981</u>	<u>\$1,997,299</u>	<u>\$631,116</u>	<u>\$17,394</u>

<u>Three Months Ended August 31</u>	
<u>1972</u>	<u>1971</u>

FUNDS WERE PROVIDED FROM:

Net income	\$ 1,348	\$ 35,491
Add charges to income not requiring funds-		
Depreciation, depletion and amortization (Note 2)	84,000	31,000
Funds provided from operations	<u>85,348</u>	<u>66,491</u>
Cofan acquisition (Note 2)-		
Common shares issued	257,049	
Investment in Cofan	(173,914)	
	<u>83,135</u>	
Total funds provided	<u>168,483</u>	<u>66,491</u>

FUNDS WERE APPLIED TO:

Additions to oil and gas properties	51,771	56,317
Additions to furniture and fixtures	1,705	24,084
Additions to deferred costs	34,192	-
Total funds applied	<u>87,668</u>	<u>80,401</u>

INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ 80,815</u>	<u>\$ (13,910)</u>
--	------------------	--------------------

The accompanying notes to consolidated financial statements are an integral part of this statement.

CLARK CANADIAN EXPLORATION COMPANY
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 1972
(Prepared from the accounts without audit)

(1) JOINT VENTURES

The Company is the operator of two joint ventures formed for the purpose of exploring for oil and gas and receives a substantial portion of its revenues from management service fees for operating these ventures. In addition, in consideration for its services, the Company receives a carried interest in the activities of the joint ventures.

(2) ACQUISITION

On August 8, 1972, the Company issued 257,049 common shares to various individuals (including certain former shareholders of ARC) for \$100,000 and an interest in Companhia de Fosfatos de Angola, S.A.R.L. ("COFAN"), a privately held U.S. corporation. As of August 31, 1972, the Company effectively had a 35% interest in COFAN which, under certain circumstances, is subject to reduction to 25%. The Company has committed to spend the \$100,000 for its portion of the costs of conducting further exploratory activities. COFAN holds a concession to explore for and mine phosphate in an area of approximately 965 square miles in the Cabinda District of Angola on the Western Coast of Africa.

The former shareholders of COFAN (after one year) may require the Company to register, at its cost, the shares issued to them.

(3) METHOD OF ACCOUNTING FOR OIL AND GAS PROPERTIES

The Company follows the policy generally known as full cost accounting in which all direct costs incurred in the acquisition, exploration and development of oil and gas reserves (including intangible development costs, dry hole costs, costs of undeveloped leases, abandonments, lease rentals and a portion of division and home office administration costs) are capitalized and amortized on a company-wide unit-of-production method based on total estimated recoverable oil and gas reserves. Profits or losses are recognized on the disposition of undeveloped leases held in inventory for resale.

(4) INCOME TAXES

Because of the deductibility for tax purposes of oil and gas exploration and development costs capitalized for financial reporting purposes, no income taxes are currently payable by the Company. Deferred income taxes are not provided for these timing differences provided estimated future statutory depletion and other tax benefits equal or exceed the capitalized cost of oil and gas properties.

(5) STOCK OPTIONS

Pursuant to resolutions by the Board of Directors, stock options were outstanding at August 31, 1972, for 100,500 shares of common stock which have been granted to officers and key employees of the Company. These options are exercisable at any time at \$2.00 to \$3.06 (Canadian dollars) per share and terminate at varying dates through June 1, 1977.

(6) EARNINGS PER SHARE

Earnings per common and common equivalent share have been determined based on the weighted average of the shares outstanding and as if outstanding options which are dilutive had been exercised when granted and the proceeds of exercise used to purchase common stock at the average market price for the period.

Earnings per common share assuming full dilution have been determined as if options had been exercised when granted and the proceeds of exercise used to purchase common stock at the market price at the close of the period (or at date exercised as to options exercised during the period).

Schedule "A"

Cofan Acquisition: On August 8, 1972, the Company issued 257,049 common shares to 22 persons (the "Stockholders") in exchange for their interests in Companhia De Fosfatos De Angola, S.A.R.L. ("Cofan") and US\$100,000. Such interests consisted of approximately 56% of the common stock of Cofan, its promissory notes in the principal amount of US\$328,000 and promissory notes of Thomas M. Cheney (the President of Cofan) in the principal amount of US\$9,700. Concurrently with this acquisition and as a condition thereof, the Company and the other stockholders of Cofan entered into an agreement with English and Portuguese investors who became new stockholders and creditors of Cofan; such agreement provides that US\$750,000 will, subject to certain conditions and at various intervals over a period of 12 months, be contributed to Cofan by all the parties. The Company will contribute US\$100,000 of this amount. If the US\$750,000 is fully contributed to Cofan, the Company will then own approximately 25% of the common stock and promissory notes of Cofan and will continue to be its largest single stockholder. Reference is made to Schedule A₁ attached hereto for the names and percentages of common stock ownership of all Cofan stockholders after the contribution of such funds.

Cofan is a privately held Delaware corporation which owns a concession from the Government of Portugal to explore for and mine phosphate in an area of approximately 965 square miles in the Cabinda District of Angola on the Western Coast of Africa. From its inception in 1968 to date, Cofan's business activities have been limited to obtaining its concession, the conduct of exploratory drilling thereon and geological, engineering and economic evaluation of the results of such drilling. Until May 31, 1972, Cofan's unaudited records indicated that its aggregate expenses for such purposes since inception were approximately US\$1,088,000; all expenditures by Cofan have been capitalized and recovery of Cofan's investment in its concession and deferred exploration costs with respect thereto is dependent upon proving the commercial value of the phosphate deposits located on the concession and the successful marketing thereof, including financing. Cofan has generated no revenues.

The Company reviewed various independent reports, studies and appraisals pertaining to the concession and Cofan's proposed operations prior to the commencement of negotiations with respect to the number of common shares of the Company to be issued to the Stockholders. Additionally, Edward R. Hewitt, an officer and director of the Company, has been an officer, director and stockholder of Cofan since its inception and is familiar with its operations. All of the negotiations between the Company and the Stockholders were at arms length with the actual verbal agreement for the number of shares to be issued being made on May 23, 1972, when the closing price of the Company's common shares on the Toronto Stock Exchange was \$2.75. The certificates for all shares issued to the Stockholders bear restrictive legends to conform to the requirements of the United States Securities laws and the requirements of the Toronto Stock Exchange.

Reverse Share Split and Change of Name: On August 23, 1972, the Company's Board of Directors unanimously approved resolutions authorizing (i) the Company's Articles of Incorporation to be amended to effect a 1-for-4.5 reverse share split by decreasing the number of outstanding common shares of the Company from 3,046,981 to 677,107; and (ii) authorizing Article I of the Company's Articles of Incorporation to be amended to change the name of the Company to "Clarcan Petroleum Corporation". The resolutions of the Board of Directors provide that, if the proposed Amendments to the Articles of Incorporation are approved by the requisite vote of two-thirds (2/3rds) of the outstanding common shares of the Company at the Annual Meeting of Shareholders to be held in Toronto, Canada on October 24, 1972, the appropriate officers of the Company are authorized to file such Amendments with the Secretary of State of Texas only immediately prior to, or concurrently with, the effectiveness of a registration statement filed by the Company with the Securities and Exchange Commission on August 29, 1972 for the proposed sale of 1,658,000 of its common shares to the United States public through Robert Fleming Incorporated as representative of the Underwriters; 1,500,000 of such shares are for the account of the Company, and 158,000 are for the account of certain selling shareholders. The offering, if made, will be at a small discount from the market price on the effective date and will not exceed US\$5,471,000 before expenses. If the proposed reverse share split is approved by the Company's shareholders, the number of common shares to be sold pursuant to such registration statement will be reduced accordingly.

Schedule "A"

<u>Names of Cofan Stockholders</u>	<u>Percentage of Cofan Common Stock Ownership</u>
<u>Portuguese:</u>	
Manuel Ricardo Espirito	
Santo Silva individually	
and as nominee for other	
investors	21.412%
Companhia Uniao Fabril, S.A.R.L.	5.123%
<u>U.S.A.</u>	
Clark Canadian Exploration Company	25.006%
Edward Ringwood Hewitt	0.530%
Thomas McGiffin Cheney	10.000%
<u>English</u>	
Leslie Lavy and Sir Frank S. Schon,	
individually and as nominees for	
other investors	35.368%
Bath & Portland Group	2.561%
Total	100.000%

Schedule "B"

The names, addresses, position(s) with the Company and chief occupations for the past five (5) years of the officers and directors of Clark Canadian Exploration Company are:

<u>Names and Addresses</u>	<u>Positions with Company</u>	<u>Chief Occupation For Past Five Years</u>
Gene Clark, Jr. 3961 Nassau Circle West Englewood, Colorado 80110	President, Chairman of Board of Directors	Chief Executive Officer of Company
J. N. Sherrill Jr. 2003 Avondale Wichita Falls, Texas 76308	Vice President, General Counsel, Director	Attorney, Sherrill, Pace & Rogers, A Pro- fessional Corporation, Wichita Falls, Texas
Patrick S. Beaird 5430 East Oxford Avenue Englewood, Colorado 80110	Vice President, Director	Vice President and/or Land Manager of Company
Edward R. Hewitt 4041 Nassau Circle West Englewood, Colorado 80110	Vice President, Director	Vice President of Com- pany; President of DLJ Natural Resources, Inc; Manager of Rockefeller Family oil, gas and mining activities
Claude R. Nash 6833 East Eastman Avenue Denver, Colorado 80222	Secretary, Treasurer Director	Chief Financial Of- ficer of Company; Au- dit Manager for Arthur Andersen & Co., Denver, Colorado
Donald G. Lawson 48 Yonge Street Toronto, Canada	Director	President, Moss, Lawson & Co., Limited
Peter O. Crisp Room 5600 30 Rockefeller Plaza New York, New York	Director	Financial Advisor to Rockefeller Family
Christopher D. Illick Cherry Valley Road Princeton, New Jersey	Director	Vice President of Robert Fleming, Incorpo- rated; Associated with Paine, Webber, Jackson & Curtis, Incorporated

Edward R. Hewitt was elected to the Company's Board of Directors in March, 1972. E. B. Clark, Sr. resigned from the Company's Board of Directors in June, 1972, and Christopher D. Illick was elected to replace him.

10. Brief statement of company's chief development work during past year.	The Company participated in the drilling of twenty-three (23) exploratory and development oil and gas wells in Western Canada, Oklahoma and Colorado during its fiscal year ending May 31, 1972.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	See Schedule C.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	David Rockefeller - For address, see Schedule C.
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	1,003,698 of the Company's no par value common shares are subject to the Clark Canadian Voting Trust. The term of such Voting Trust is for a period of 10 years from January 3, 1969. Pursuant to such Voting Trust, Messrs. E.B. Clark, Sr., Gene Clark, Jr. and J. N. Sherrill Jr. were appointed Trustees to vote all of such shares as the majority thereof may determine to be in the best interest of the Company and the parties to the voting trust.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	E.B. Clark, Sr. - 67,641 shares - 3303 Mockingbird, Wichita Falls, Texas 76308 E.B. Clark, Jr. - 476,759 shares - For address, see Schedule B Patrick S. Beaird - 139,605 shares - For address, see Schedule B Frank I. Pritchett, Jr. - 124,605 shares - 10304 Braeside Drive, S.W., Calgary 14, Alberta
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	David Rockefeller - 688,358 shares - For address, see Schedule C. E.B. Clark, Jr. - 476,759 shares - For address, see Schedule B. Abby R. Mauze - 189,962 shares - Room 5600, 30 Rockefeller Plaza, New York, New York 10020. Patrick S. Beaird - 139,605 shares - For address, see Schedule B. Frank I. Pritchett, Jr. - 124,605 shares - For address, see Item 14. Mr. Rockefeller's shares include 171,653 common shares which he acquired upon the closing of the Cofan acquisition. All of Messrs. Clark's, Beaird's and Pritchett's shares are subject to the Voting Trust described in Item 13.
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	The voting authority of the Trustees of the Clark Canadian Voting Trust described in Item 13 is sufficient to affect materially control of the Company. Additionally, the aggregate shareholdings of the former stockholders of American Resources Company ("ARC") (See Filing Statement No. 1817 filed January 24, 1972) and the Stockholders of Cofan (See Schedule C) are large enough to affect control of the Company if such shareholdings were voted as a block.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	In its financial statements the Company accounted for the Cofan acquisition as a purchase and reflected the value of its interest in the common stock and promissory notes of Cofan at U.S. \$157,049. The Company is unable to determine accurately the market value of its interest in Cofan.
18. Brief statement of any lawsuits pending or in process against company or its properties.	The Company is a defendant in a lawsuit brought by a former employee to recover his salary for a certain period of time and the loss of his share option resulting from his termination of employment by the Company. Additionally, the operator of certain West Virginia gas properties in which the Company acquired an interest pursuant to the ARC acquisition is the defendant in a lawsuit styled Billy F. Wehrle et al vs. Sanford E. McCormick et al, Civil Action No. 16,563-C in the Common Pleas Court, Kanawha County, West Virginia. The suit alleges damages resulting from such operator's drilling operations and, although the Company is not a party to such suit, it is liable for its proportionate part of any damages recovered pursuant to the Operating Agreement in effect with respect to such properties. In the Company's opinion, any liability with respect to such suits is not material.

Schedule C

<u>Name of Stockholder</u>	<u>Number of Clark Common Shares Received</u>
David Rockefeller	171,653
J. R. Dilworth	12,843
Harper Woodward	7,268
T. F. Walkowicz	5,451
John B. Morton	1,817
M. Frederick Smith	1,817
Joseph A. Lee	1,817
James E. Fanning	1,693
Peter O. Crisp	1,817
Charles B. Smith	1,817
Ann R. Coste	5,451
David Rockefeller, Jr.	5,451
Marilyn M. Simpson	5,451
Charles Hamlin	2,725
Lucy R. Waletzky	2,725
Sandra F. Rockefeller	5,451
Abby M. O'Neill	5,451
Walter Kaiser	2,725
Neva R. Kaiser	2,725
William J. Strawbridge, Jr.	2,725
Mary R. Strawbridge	2,725
Abby A. Rockefeller	5,451

The address for each of the Stockholders is Room 5600,
30 Rockefeller Plaza, New York, New York 10020.

ENGINEER'S REPORT

August 21, 1972

SUMMARY REPORT

COFAN Phosphate
District of Cabinda, Angola

INTRODUCTION

Clark Canadian Exploration Company has requested that the writer review all the available data and reports concerning the phosphate deposits in the District of Cabinda, Angola. A list of these data and reports is attached. No personal examination was made of the prospect area.

Clark Canadian Exploration Company has acquired approximately 35% of the common shares of Companhia de Fosfatos de Angola (COFAN). COFAN has a concession from the Portuguese government covering exploration and exploitation rights for phosphate rocks and minerals covering a 2500 square kilometer area in the District of Cabinda, Angola. (Figures 1 and 2) The concession is for a term of 35 years from December 30, 1968 and upon 30 days prior application, an additional 20 years thereafter. The government of Portugal is entitled to a 50% of net profits income tax with a minimum of 7% of the sales value f.o.b. port shipment. Certain additional minor taxes are also payable.

LOCATION AND ACCESSIBILITY

The District of Cabinda (Figure 1) is an enclave on the west coast of Africa separated from the main portion of Angola by Zaire territory on north side of the Congo River. It is also bounded on the east by Zaire and the north by the Congo Republic. In the past both these bounding countries reportedly provided bases for terrorist activities in Cabinda. In recent years this terrorist activity has diminished and is reportedly under control because of political reforms and increased military surveillance by Portugal.

The concession area (Figure 2) lies on the Atlantic coast and all of the phosphate showings are within 35 kms of the coast. The area is traversed by all-weather gravel roads and has been extensively lumbered in the past. Ground cover is savanna in parts and in parts is heavy jungle. Relief is moderate on the order of 65 to 200 meters. The area, for the most part, is well drained with adequate supplies of fresh water. The climate is of the monsoon variety with 5 or 6 months entirely dry weather, followed by a wet season for the balance of the year. The dry weather commences about the middle of May and lasts through the end of October. Access to the phosphate deposits does not appear to be difficult.

GEOLOGY

The COFAN Concession area is underlain by folded and faulted sediments of Eocene and Cretaceous age which dip gently west southwest toward the Atlantic coast. The phosphate deposits occur in two members of the Massabi formation, an upper phosphate member and a lower phosphate member separated stratigraphically by 50 to 85 meters (160 - 275') of sand, clay and foraminiferal clay. Normal faults traverse the area, parallel to the coasts, forming grabens and horsts. The phosphate deposits being somewhat more resistant to erosion than the overlying sediments, form elongate ridges up to several kilometers in length. Dips on the phosphate horizons range from 5 to 15°. Drilling in most of the phosphate areas is not sufficiently closely spaced to be able to determine the precise throw of the faults or disposition of the beds. Indeed, it is possible that additional faulting exists within the area of interest.

ORE RESERVES

Cheney (1970, 1971) concluded that the exploration to date has outlined a potential ore reserve of at least 350 million tons that can be economically beneficiated to approximately 100 million tons of high grade phosphate ore and 50 million tons of lower grade product. A review of Cheney's (1970) geologic maps and sections and the AIM (1971) metallurgical data appear to support this contention. It should be commented however, that these reserves are in a potential class and that considerably more exploration and metallurgical work will be necessary to establish the proven reserves of the Cabinda Concession. It is my understanding that COFAN is currently starting a drilling program whose objective is to confirm and prove a minimum of 75 million tons of ore that will prove 20 million tons of high grade concentrate. Concurrent with this program COFAN is negotiating with Robertson Research International Limited and CJB (Projects) Limited to carry out mining, beneficiation, and economic feasibility studies. An outline of this proposed exploration and feasibility studies is attached. **See pages 14-16.**

CONCLUSIONS

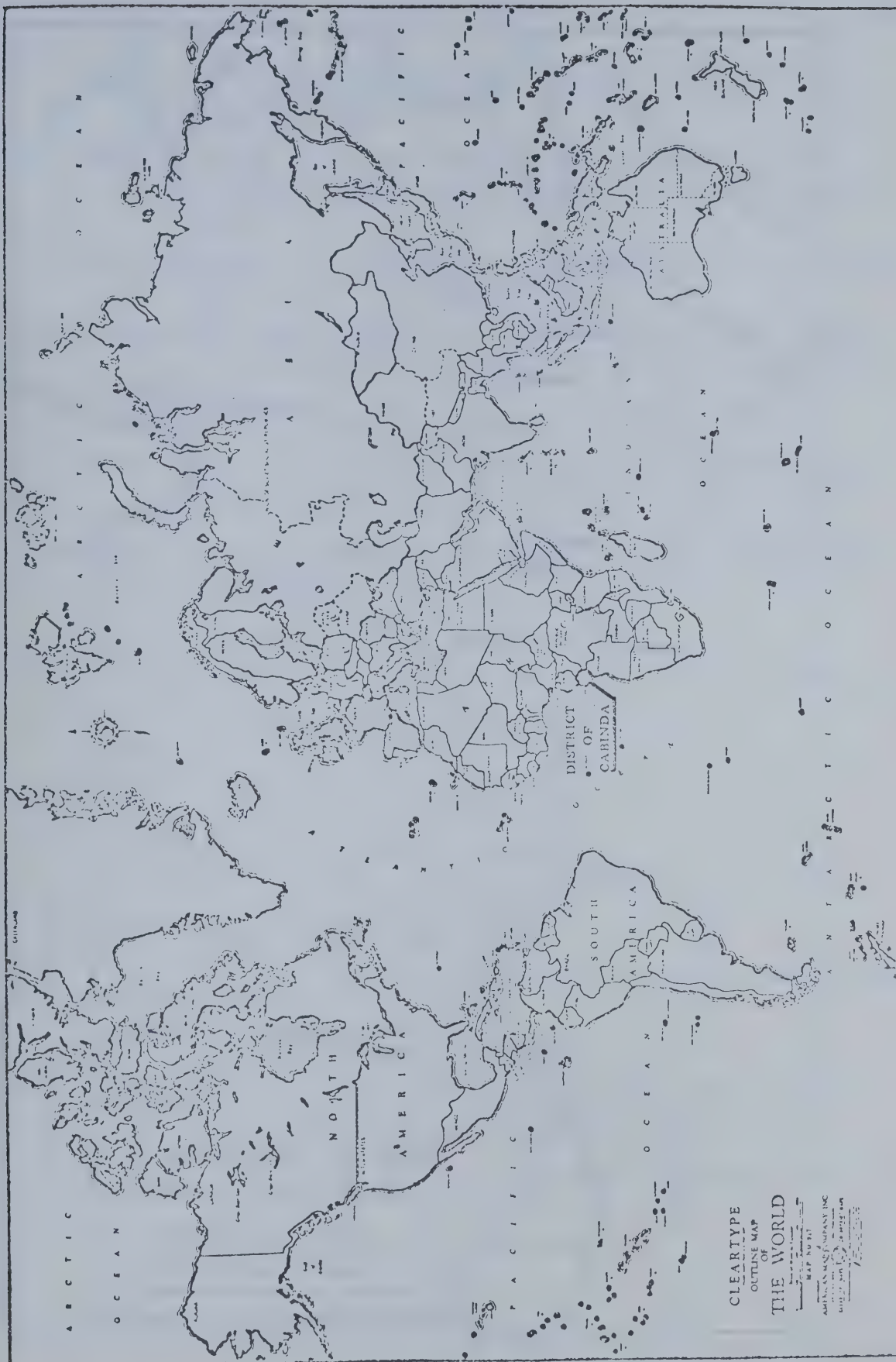
While the precise location, grade, magnitude and engineering feasibility of the phosphate rock in the Cabinda District has not as yet been adequately defined, the available data suggests the apparent ^{large} ~~sure~~ presence of substantial phosphate deposits in the COFAN concession. This rock appears to be amenable to easy beneficiation that can produce a high grade tri-calcium phosphate product. The currently planned continuing exploration and feasibility program should be adequate to prove whether or not the grade and reserves are sufficient to justify the construction of a wet process phosphoric acid chemical complex near the mine site in Angola.

The writer has neither directly or indirectly nor expects to have any interest in Companhia de Fosfatos de Angola, Clark Canadian, or their properties or their affiliates. The writer's qualifications to write this report are attached.

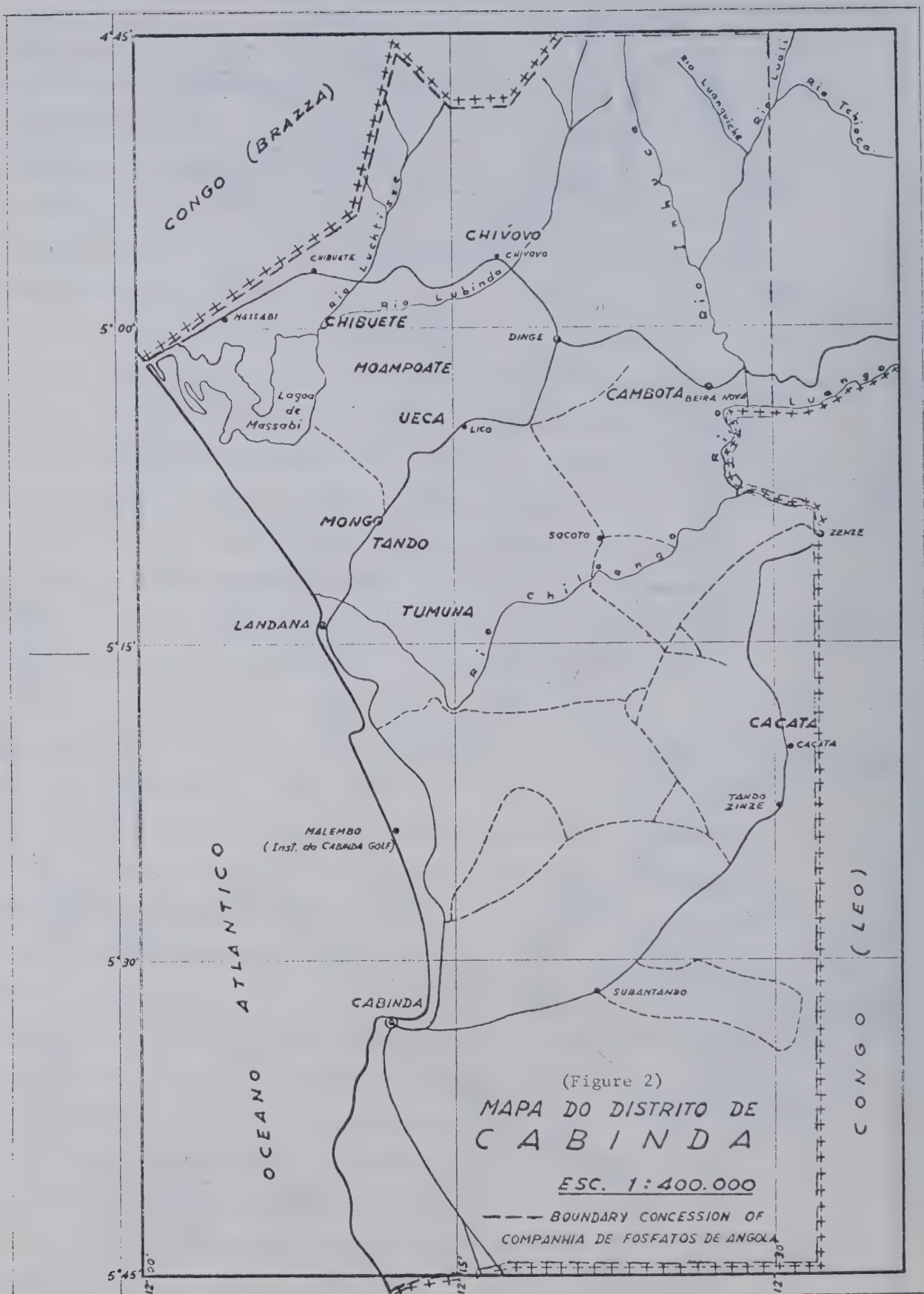
Respectfully submitted,

Warren H. Westphal

Warren H. Westphal
Denver, Colorado
August 21, 1972



(Figure 1)
LOCATION MAP
DISTRICT OF CABINDA



REFERENCES CONSULTED

- Cheney, Thomas M., (1970), Phosphate Deposits, District of Cabinda, Angola, West Africa; Companhia de Fosfatos de Angola, Luganda Angola, July 1970.
- Cheney, Thomas M., (1971), New Phosphate Deposits of Angola, District of Cabina, An Evaluation of Their Economics and Agronomic Potential in the World Market; Companhia de Fosfatos de Angola, April 1971.
- AIM, (1970), Angola Phosphate, Flotation Tests; Agricultural and Industrial Minerals Inc., Palo Alto, California.
- Somerville, Robert L., (1971), An Evaluation of Phosphate Rocks for Wet Process Phosphoric Acid Production at a Deep Water Port; Robert L. Somerville & Associates, Neshanic, New Jersey, March 22, 1971.
- Felch, E. L., (1971) Angola Phosphate, Preliminary Cost Estimates.
- Wright, Anthony J., (1972), Feasibility Study of Phosphare Prospects, District of Cabina, Angola, A Proposal for; Robertson Research International Limited, Llandudna, North Wales, July 28, 1972.
- Korn, F. P., (1972), Proposal for Feasibility Study for a Phosphate Complex for Companhia de Fosfatos de Angola; CJB (Projects) Limited, London, August 4, 1972.

RESUME

Warren H. Westphal

Address: 1560 Colorado State Bank Building
Denver, Colorado 80202

Occupation: Vice President, Mining - Natural Resources Development Corporation

Education: Colorado School of Mines
Columbia University, A.B. 1947

Professional Memberships: Society of Mining Engineers AIME - Director
Society of Economic Geologists
Society of Exploration Geophysicists

Experience: Stanford Research Institute - Manager Mineral Development Department
(1959-1969)

Utah International - Chief Geophysicist
(1955-1959)

Tidewater Associated Oil - Uranium Department, Sr. Geologist
(1955)

New Jersey Zinc Company - Sr. Geologist
(1947-1955)

International Nickel Company - Field Geologist and Surveyor
(1945)

July 24, 1972

OUTLINE OF THE PROGRAMME
FOR PHASE 2

1.0 Introduction

Discussions have now been held between the interested parties and certain actions initiated following the earlier recommendations, and so this report outlines the progress and various proposals that have been discussed and provisionally agreed upon. In addition, it states the objectives of the Phase 2 development, the scope and budget involved in achieving the objectives.

2.0 Objectives of Phase 2 Development

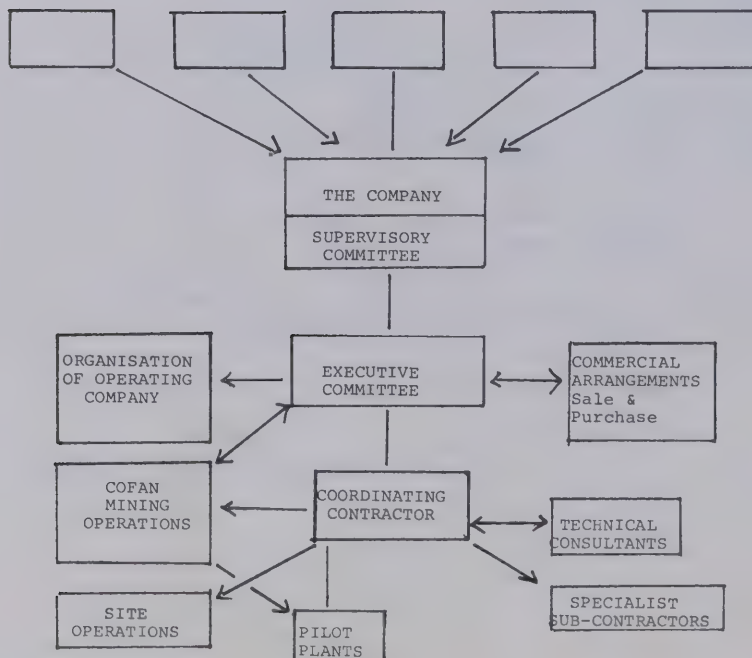
The aim of the Phase 2 Development programme is to carry out certain investigation and feasibility studies in order to achieve the following objectives:

- 2.1 Prove a minimum of 20 million tons reserves of phosphate concentrates in the Cabinda area.
- 2.2 Carry out terminal studies, and establish the topographical and oceanographical details of the likely areas in order to determine the optimum plant sites.
- 2.3 Establish process technology and costs from mining through to the final P_2O_5 production for the purposes of the feasibility study.
- 2.4 Collect and evaluate the information for specific optimisation for Angola, including transportation of raw materials and finished products.
- 2.5 Reach agreements with Portuguese Government with respect to taxes, housing, etc.
- 2.6 Obtain firm commercial assurances for disposal of finished products adequate to arrange financing for Phase 3 (2.7).
- 2.7 Arrange the financing for the Project (Phase 3).
- 2.8 Definition of the entire company structure.

3.0 Basic Organisation

The chart below outlines the basic structure around which it is proposed to operate:

FOUNDER SHAREHOLDERS



3.1 Supervisory Committee

This Committee will consist of personnel delegated by the company to be responsible for company actions and the execution of policy decisions made by the company. It would be a representative section of the stockholders of the company.

3.2 Executive Committee

This committee should consist of those personnel directly responsible for the various fields of action and would be appointed by and be responsible to the Supervisory Committee.

The basic function of the committee is to control and carry out the various activities to achieve the objectives as stated in paragraph 2.0 above.

It should in general meet monthly and review programmes, expenditure, technical reports and the overall progress achieved. The committee would review and reallocate priorities as necessary to keep within budget and programme. A bi-monthly report would be prepared for submission to the operating company, and special reports issued concerning specific significant aspects of the development, e.g., confirmation of phosphate resources and the elimination of the geological risk.

3.3 COFAN Mining Operations and Analysis

COFAN's responsibility to the Executive Committee would be to prove the phosphate rock resources in the Cabinda area. These field operations would be the continuation of their earlier work in establishing the resources (referred to elsewhere and covered by other reports) and are basically centered around the drilling programme which is divided into the following parts:

1. Definition Drilling
2. Core Drilling
3. Topographic Mapping, with
Angolan Government Assistance
4. De-watering pump tests

COFAN would also provide cost data for the elements in the mining operations.

In addition to these basic mining operations, COFAN would also carry out for the coordinating contractor the general topographical mapping of the interested areas and assist in arranging the bottom sampling of Lake Masabi and ocean floor, water availability for processing and investigating data on the coastal sand movements.

3.4 Coordinating Contractor

The basic function for the Coordinating Contractor is to provide the expertise of organisation to coordinate all the various activities and resources available to the client company, such that the objectives of the Phase 2 development are achieved within the anticipated time and expenditure.

The Contractor is responsible for enquiries, costings and presentation of reports. Preliminary engineering design will commence as soon as the basic data is available for that section so that an overall design of the project will emerge from which the capital and operating cost estimate of the operation will be built up. These estimates will be sufficient to prove the feasibility of the project and to arrange the construction financing.

The development work to be carried out can be grouped into 4 time stages as follows:

Stage 1

Field Work - Mining Data ...	COFAN
Water Testing and Pumping Trials	COFAN
Terminal Studies	Contractor
Preliminary Commercial Studies of Freight and Purchase of Raw Materials and Products.....	Sir Frank Schon (R. Fogg)
Choice of Site	COFAN and Contractor

Stage 2

Detailed mining analysis and metallurgical testing and completion of field work	COFAN
Preliminary engineering and design for feasibility study	Contractor
Confirmation of Phosphate Reserves	Independent Mining Consultant

Stage 2 (continued)

Mineral pilot plant tests .. COFAN

Acid pilot plant tests R. Dickie/R. Fogg

Budget estimate and cost
analysis plus or minus 20% Contractor

Preliminary feasibility
report Contractor

Technical and economic
confirmation to proceed
with development Executive Committee

Stage 3

Major plant enquiries based
on refined process routes .. Contractor

Engineering and design..... Contractor

Compilation of all reports
and specifications..... Contractor

Commercial arrangements Sir Frank Schon
(R. Fogg)

Preliminary financing Messrs. Warburg

Organisation of Company
Structure Messrs. Warburg

Stage 4

Final financing arrangements Messrs. Warburg

Final report for Phase 2
development Executive Committee

Definition of Executive
Structure of the Co. Supervisory Committee

Selection of General
Contractor Executive Committee

The Coordinating Contractor's work in general will terminate with a final report in two parts, Part I will cover all reports making up the feasibility studies, etc., up to the end of Stage 2, and Part II will contain the engineering proposals and programming to build the plants.

Although the basic outline engineering of the plant will be resolved and indicated in the engineering proposals, the detailed design work for construction will still be required. It is considered that this will take at least a further 6 months' engineering design and will only be initiated when the full capital expenditure of \$60M is sanctioned by the company.

BUDGET - PHASE 2

	<u>MONTHS</u>			
	<u>1 - 3</u>	<u>4 - 6</u>	<u>7 - 8</u>	<u>9 - 10</u>
CABINDA	143,710	74,955	2,980	2,980
CONTRACTOR	20,000	60,000	50,000	10,000
LUANDA	12,550	11,050	5,250	5,250
LISBON	1,800	2,550	1,700	2,550
TRAVEL	8,500	13,500	14,500	9,000
MET. TESTING AND MIN.	2,600	74,500	26,900	--
LEGAL	15,000	5,000	20,000	15,000
EXECUTIVE	21,000	21,000	21,000	21,000
MISC.	3,000	3,000	2,000	2,000
TOTAL	\$228,160	\$265,555	\$144,330	\$67,780
		GRAND TOTAL:		705,825
		CONTINGENCY:		34,175
				\$750,000

19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	Gas Exploration Agreement dated June 1, 1970 between the Company and Michigan Wisconsin Pipe Line Company pertaining to a joint venture in the Anadarko Basin of Oklahoma and Texas. Exploration Agreement dated July 7, 1972, between the Company and McCulloch Exploration, Ltd. pertaining to a joint venture in Western Canada. Exchange Agreement and Plan of Reorganization dated December 1, 1971 by and among the Company and the shareholders pertaining to the acquisition by the Company of all the issued and outstanding common shares of ARC.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	Mr. Edward R. Hewitt, an officer and director of the Company, retained his stockholdings in Cofan, which amount to .53% of its capital stock. Reference is made to Item 1 for the discussion of the Company's proposed sale of 1,658,000 of its common shares to the United States public.

DATED October 5, 1972

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

E. B. Clark, Jr. E.B. Clark, Jr. CORPORATE SEAL

Claude R. Nash Claude R. Nash

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

